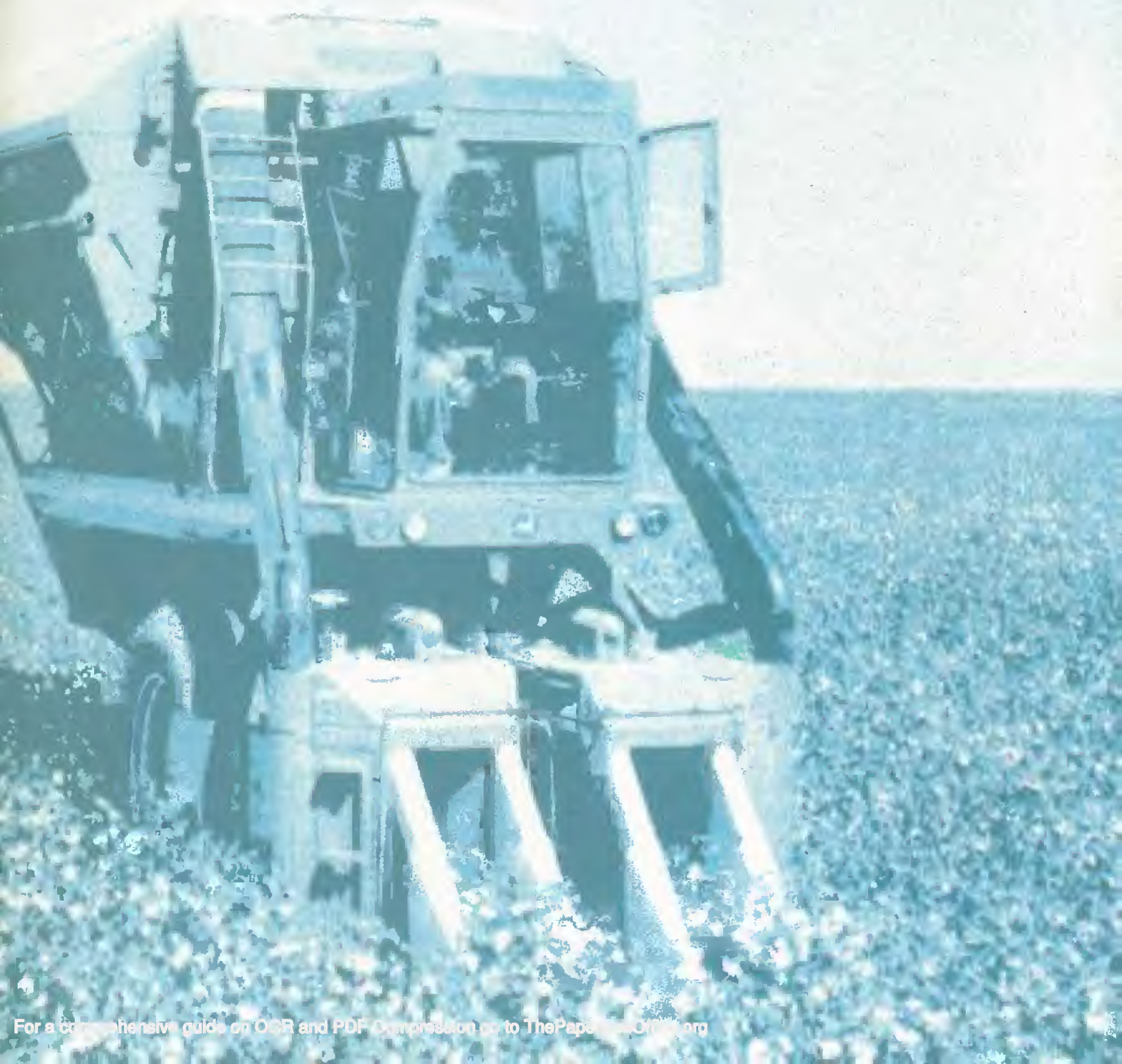


AGRICULTURAL OUTLOOK

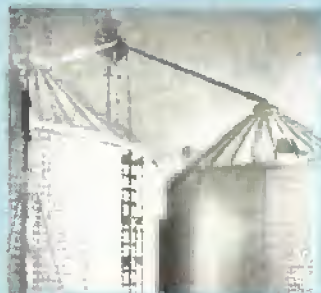
November 1980

● Economics and Statistics Service
United States Department of Agriculture



AGRICULTURAL OUTLOOK

November 1980/AO-60



1 In Brief...

2 General Economy

After plunging 9.6 percent in the second quarter, real GNP edged up 1 percent in the third—further indication that the recession is over and recovery has begun...However, the prospect of high interest rates during the next few months continues to cloud the possibility for a strong recovery in housing, consumer durables, and business investment.

5 Agricultural Economy

The recent tightening in prospects for 1980/81 world grain crop—and its effect on supply, demand, and prices here at home—is highlighted in this issue...Because overall farm inventories will be reduced by the end of 1980, net farm income this year will be higher before inventory adjustment than after...Before inventory adjustment, net farm income in 1980 is expected to total \$24 to \$26 billion—down from \$26.9 billion last year.

12 Food and Marketing

The marketing bill is expected to increase 11 percent in 1980, compared with 12 percent last year... In 1981, although marketing cost increases will be moderated by a slow recovery from the recession and by more moderate gains in crude oil prices, marketing costs are expected to rise at about the same rate as in 1980.

16 World Agriculture and Trade

This month, the focus is on the conflict between Iraq and Iran and how these two countries' food supplies will be affected...Because of its dependence on northern Persian Gulf ports for food imports, Iran's food supply appears to be more vulnerable to disruption.

19 Enlarging the European Community

This third article in the series on EC enlargement (Greece, Portugal, and Spain will soon be new members) focuses on cotton trade.

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In Brief... News of World Grain Supplies, 1981 Farm Income, and Marketing Costs

Economic recovery got underway in the third quarter, and the industrial sector is expected to strengthen further in the fourth quarter. The greatest uncertainty in the general economic outlook concerns the monetary sector of the economy.

Prices for grains, oilseed crops, and cotton are all under renewed upward pressure because of recent tightening in world supply prospects. At the present time, the greater risk appears to be on the downside of the supply estimate for 1980/81.

World trade and use of grains are expected to set records in 1980/81, with ending stocks likely to be down around 20 percent from the 192.5 million tons on hand at the end of 1979/80. Next year's carryover stocks will decline to about 10-1/2 percent of use—the same tight relationship that existed at the end of 1974/75, when the stock/use ratio reached the lowest level of the 1970's.

Prices for livestock and poultry products will remain under downward pressure because of seasonally large marketings through mid-to-late December. However, the market supply of hogs is expected to decline sharply toward the end of the year and in the first quarter of 1981, lending some support to livestock and poultry prices.

Farm cash receipts for 1980 are expected to total 6 to 7 percent above 1979, mainly because of a larger marketing volume. Increasing farm prices since early summer will more than offset declining prices earlier in the year, leaving overall prices received in 1980 slightly higher than last year.



Net farm income may total \$23 to \$25 billion this year, compared with \$31 billion in 1979. However, part of this year's income drop resulted from a drawdown in farm inventories of corn, soybeans, cotton, and hogs. Net farm income is expected to increase significantly in 1981, possibly recouping all of this year's decline.

Retail food prices rose at an annual rate of 12.9 percent during the third quarter, with higher farm prices the major factor. In the fourth quarter, retail food prices will increase at a slower rate than in the third. In 1981, retail prices for all food categories are likely to rise somewhat faster than the 9-percent rate expected for 1980, with the overall increase averaging 10 to 15 percent.

Marketing costs for farm foods now appear to be up about 11 percent this year, as a slower rate of increase in the second half of the year moderates the faster rate of the first half. In 1981, marketing costs are expected to increase at about the same rate as this year.

Since late June, Congress has passed eight pieces of legislation directly affecting the agricultural sector. Several other legislative proposals were left unresolved and will likely be considered when Congress reconvenes in November. The Department of Agriculture also has a number of key program decisions to make between now and the end of the year.

Prolongation of the Iraq-Iran war or the loss of northern Persian Gulf ports would seriously restrict Iran's ability to import food, while not greatly disrupting the flow of food into Iraq. In the past, Iran—which imports about 30 percent of its food—had imported significant quantities of rice and feed grains from the United States. Iraq's food supply is more secure because its food imports can be diverted to Turkish ports.

U.S. cotton exports to the European Community (EC) may be affected by the entry of Greece, Portugal, and Spain into the EC. The EC produces very little cotton now, and the inclusion of Greece, Portugal, and Spain will likely expand the market for textile products more than it will increase cotton production. Thus, the expanded EC may promote increased U.S. exports of cotton in the future.



General Economy

An early turnaround of the recession has now been confirmed. Preliminary estimates indicate that real GNP grew at a seasonally adjusted annual rate of 1 percent during the third quarter, following a record 9.6-percent plunge in the second quarter. Although the industrial sector continues to strengthen, the monetary sector still casts a troubling light on the general economic outlook.

High rates of monetary growth during the third quarter have reignited inflationary expectations in financial markets. These expectations, along with stronger loan demand due to the pickup in real economic activity, drove interest rates up sharply during October.

To curb reserve borrowing at the discount window, the Federal Reserve Board raised its discount rate to 11 percent in late September. Reserve borrowing, by expanding the monetary base, can speed up growth of the money supply—as measured by monetary aggregates such as M1-A, M1-B, and M2. Thus, the Fed's action can be interpreted as an attempt to slow monetary growth.

Because the current high interest rates may endanger the recovery in housing, consumer durables, and business investment, the Fed is likely to pursue a gradual approach to reducing monetary growth. A shock approach—such as the credit tightening in March and April of this year—is not foreseen at this time.

The fourth quarter of 1980 is likely to show continued growth in real GNP, a slowly declining unemployment rate, and continued high inflation. Interest rates may keep climbing and then turn down somewhat toward the end of the year.

The outlook for 1981 still suggests a sluggish recovery, with a tight monetary policy acting to prevent the "boom" that typically follows recessions. Real GNP is expected to grow slowly through 1981, with the unemployment rate continuing its slow decline. Progress against the high underlying "core" rate of inflation will be hampered by rapidly rising food prices. The anti-inflation benefits of slower monetary growth will likely not be realized until 1982.

SUPPLY AND DEMAND IN FINANCIAL MARKETS

The Demand Side of Interest Rates

The financial markets respond to changes in supply and demand, with interest rates and the amount of money loaned determined in a manner similar to commodities. This article focuses on the determinants of loan demand and passes over—for now—factors determining the supply of loanable funds.

The demand for credit is generally thought of as a downward-sloping function of interest rates—that is, as interest rates move up, the amount of credit sought will fall and vice versa. This is a familiar demand function—similar to that affecting commodities—in which quantity demanded is a downward-sloping function of price, shifted by income levels and other factors.

Similarly, the relationship between loan demand and interest rates is subject to shifts in real economic activity. As GNP and incomes increase in real terms, more money will be demanded at each level of interest rates. The opposite will result if real economic activity contracts.

However, one important difference between aggregate loan demand and the demand for an individual commodity is that the price of credit can directly influence real economic activity—which in turn acts to shift loan demand. Increasing interest rates in one time period can dampen real GNP, causing credit demand to weaken, eventually leading to somewhat lower interest rates at a future time.

In other words, loan demand (at any given interest rate) is shifted by changes in real economic activity—which is itself partly determined within financial markets. On the other hand, for a single commodity (at any given price), demand is shifted according to changes in real income, which is determined by factors outside of that particular commodity market.

Controlling the Money Supply:

Monetary vs. Non-monetary Theory

The degree to which loan demand is sensitive to shifts in real economic activity is a major point of controversy between monetarist and non-monetarist economists. Pure monetarists contend that loan demand is relatively stable, responding in an inelastic manner to changes in real GNP, while non-monetarists believe the reverse to be true.

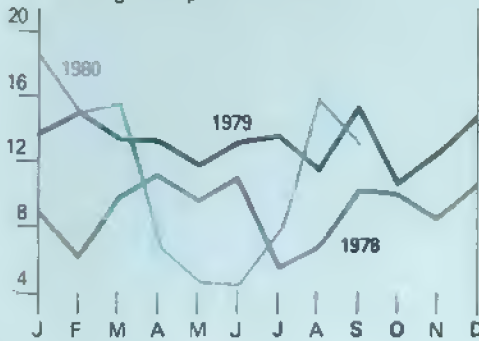
A non-monetarist would argue that the inherent instability of demand for credit would lead to large fluctuations in interest rates if the money supply were held constant, and that widely fluctuating interest rates would destabilize the general economy. Thus, non-monetarists have prescribed policies that varied the growth of the money supply in order to stabilize both interest rates and real GNP.

Prior to October 6, 1979, the Federal Reserve Board's operating procedure had been based on a non-monetarist policy of maintaining low interest rates by means of rapid monetary growth. However, this may have exacerbated inflation in the late 1960's and 1970's.

General Economic Indicators

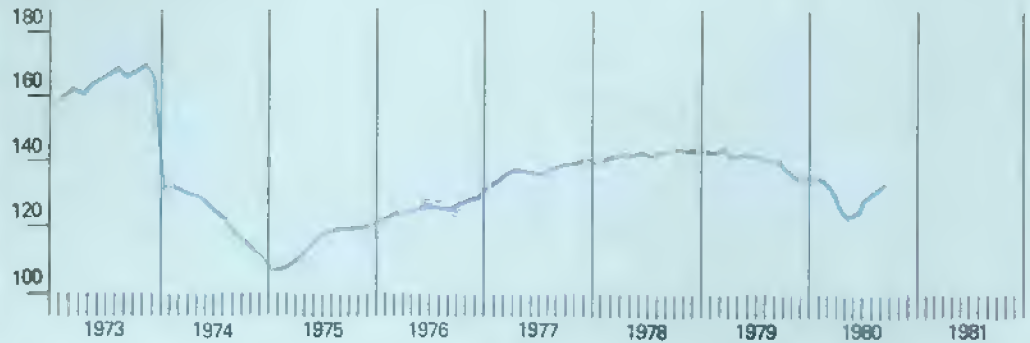
Consumer Price Index¹

Percent change from previous month



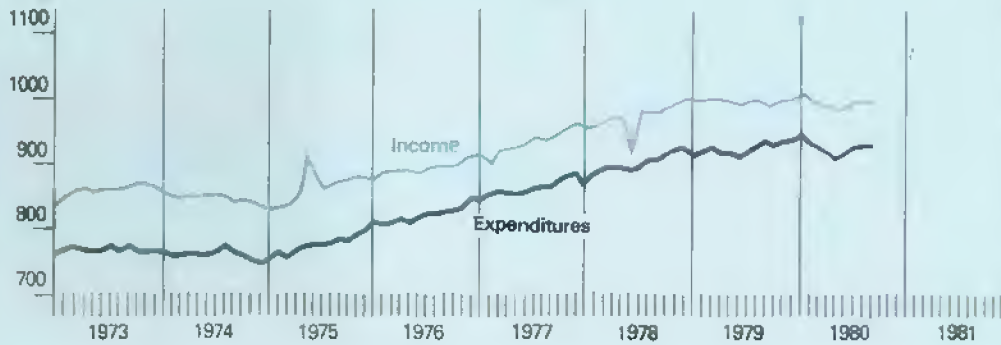
Composite Leading Economic Indicators

1967 = 100



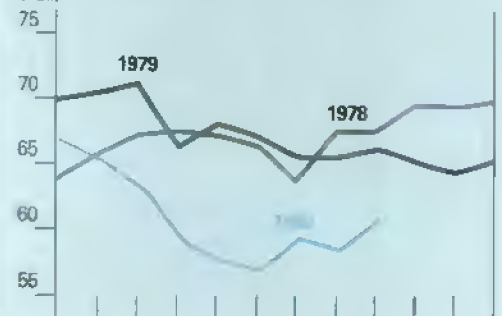
Disposable Income and Consumption Expenditures^{2,8}

\$ bil.



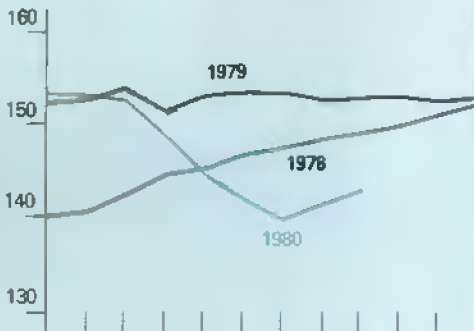
Manufacturers' New Orders³

\$ bil.



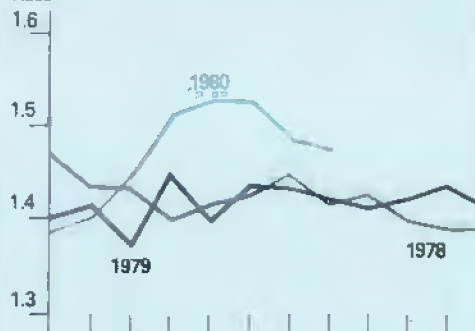
Industrial Production

1967 = 100



Inventory/Sales⁴

Ratio



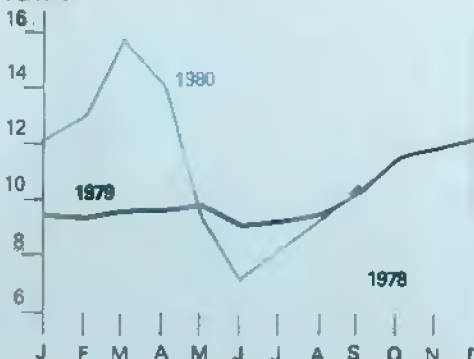
Unemployment⁵

Percent of all civilian workers



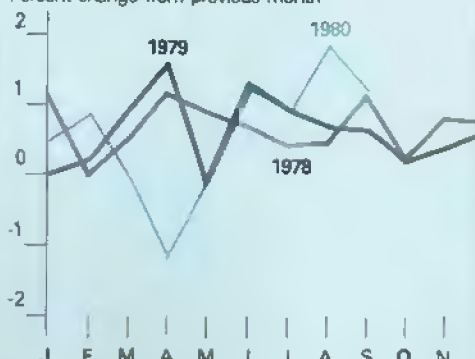
Treasury Bill Rate

Percent



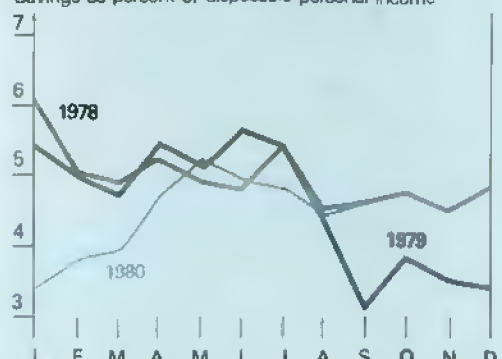
Money Supply^{5,8}

Percent change from previous month



Savings Rate^{7,8}

Savings as percent of disposable personal income



¹Percent change from previous month at seasonally adjusted rates. ²Billions of 1972 dollars, seasonally adjusted at annual rates. ³Billions of 1967 dollars. (Current dollars deflated by seasonally adjusted producers' price index). ⁴Manufacturing and trade, seasonally adjusted at annual rates. ⁵Seasonally adjusted. ⁶Percent change in M1-B,

September based on average for weeks ending September 3, 10, and 17. ⁷Calculated from disposition of personal income in 1972 dollars, seasonally adjusted at annual rates. ⁸Estimate for September. Sources are the U.S. Department of Commerce, the U.S. Department of Labor, and the Board of Governors of the Federal Reserve System.

To dampen inflationary expectations, the Fed announced a new operating procedure as of October 6, 1979. The Fed now focuses on stabilizing monetary growth, while allowing interest rates to seek their own level—within a wider target range—in the financial markets. This partial shift toward a more monetarist approach to managing the nation's money supply represents a major policy change for the Fed. However, economic events thus far in 1980 have led to volatility in both interest rates and the money supply.

Expectations Important in Financial Markets

One reason for this volatility may be the increasingly important role of expectations in shifting loan demand. Inflationary expectations as well as expectations of future interest rates now appear to be major determinants of the demand for credit. If people believe that inflation and interest rates will go up, they are more likely to borrow. So expectations can boost the demand for loans.

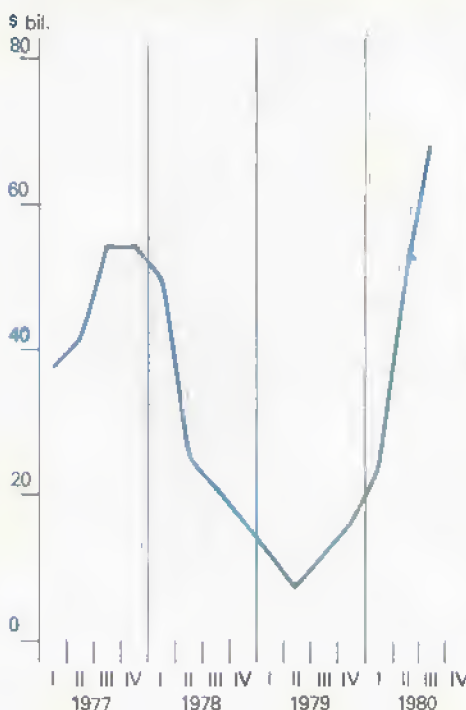
Thus, the role of expectations helps to explain the apparent contradiction in having high rates of monetary growth at the same time that interest rates are climbing. In financial markets, higher monetary growth can lead to higher inflationary expectations, increasing the demand for credit and in turn causing higher interest rates. Likewise, lower monetary growth can lead to lower inflationary expectations, reducing the demand for credit and causing lower interest rates.

If the Federal Reserve Board acts to restrict growth in the money supply, the initial upward pressure on interest rates may be offset by expectations that inflation and interest rates will be lower in the future, eventually leading to lower interest rates combined with tighter monetary growth. This combination might provide the foundation for a gradual, noninflationary recovery.

Monetary and Fiscal Policy Interrelated

Economic policy is most effective when monetary and fiscal policies are coordinated toward the same objectives. To smooth out the business cycle, public policy needs to be stimulative during the contraction phase of the cycle and restrictive during the expansionary phase. Stimulative fiscal and monetary policy is not regarded as inflationary during periods of high cyclical unemployment.

Federal Deficit Increases



Stimulative fiscal policy usually involves lowering taxes and/or increasing government spending—leading to a larger government deficit. The U.S. Treasury finances the deficit by borrowing from the private capital market. At this point, expansive monetary policy is required to accommodate the deficit. If the money supply were held constant, Treasury borrowing could “crowd out” a nearly equivalent amount of private borrowing, leaving fewer funds available for investment. This causes higher interest rates as private investors bid for the remaining funds. To avoid such crowding out and the associated higher interest rates, the money supply needs to be expanded so that enough funds are available for deficit financing, capital investment, and consumer loans.

Thus, monetary and fiscal policy need to be coordinated, and the effectiveness of stimulative fiscal policy partly depends on an expansionary monetary policy. This will provide something of a policy dilemma in 1981, as Federal Reserve attempts to restrict monetary growth may conflict with congressional attempts to cut taxes. (Paul Prentice (202) 447-2317)

Loan Guarantees Approved for 15 Fuel Alcohol Plants

Federal financial guarantees have been approved for 15 new fuel alcohol plants in 14 States. USDA Secretary Bob Bergland said that “these projects will produce more than half of the national production goal set by President Carter. . . of 500 million gallons of alcohol and methane production by the end of 1981.”

Bergland said \$341.6 million of loans by banks and other private financial institutions will be guaranteed by the Farmers Home Administration for building plants to produce an estimated 246 million gallons of ethanol per year.

Under the special synfuels legislation—signed and enacted by the president last June—USDA will administer a \$525 million loan program for building biomass energy production facilities, including fuel alcohol plants of up to 15-million-gallon annual capacity. Most of the plants will use corn as a feedstock, although some will use other grains and commodities such as molasses and potatoes.

The alcohol production would replace approximately 6.3 million barrels of oil a year for use as motor fuel. Most of the plants will use coal or wood products for boiler fuel and will be in operation by the end of 1981.

Upcoming Situation Reports

USDA's World Food and Agricultural Outlook and Situation Board will issue the following situation reports this month:

Title	Summary Released
Cotton & Wool	Dec. 1
Sugar & Sweetener	Dec. 2
Poultry & Egg	Dec. 3
Dairy	Dec. 5
Tobacco	Dec. 9
Ag Supply & Demand*	Dec. 11
Fertilizer	Dec. 15
World Agriculture	Dec. 17

Copies of the full reports will be available a week to 10 days after the summary is released. Reports can be obtained by writing to: ESCS Publications, Room 0054-South Building, USDA, Washington, D.C. 20250. *This report is issued in full on the date indicated.



Agricultural Economy

Farm prices edged up slightly from September to October, with higher prices recorded for food grains, feed grains, hay, oil-bearing crops, fruits, meat animals, and dairy products. Farm prices were down in October for cotton, tobacco, vegetables, potatoes, poultry, and eggs. In October prices received by farmers for all products averaged 11 percent above a year earlier. Prices paid by farmers rose about 1 percent from September to October to a level 12 percent above October 1979.

After rising sharply this summer because of the drought, grain prices are now under additional upward pressure as 1980/81 world grain supplies tighten. Although world grain production in 1980/81 is expected to be slightly larger than last year, carryin stocks are down 12 percent. In addition, production prospects may have deteriorated in the USSR, Argentina, and Australia—which would further tighten supplies.

World use of grains in 1980/81 is forecast to exceed 1979/80 disappearance by about 2 percent. To achieve this, world trade in grains would reach an estimated 219.6 million metric tons—up 4 percent from last year's record of 211.1 million.

With increased use and smaller supplies, world grain stocks will fall sharply by the end of 1980/81; in mid-October, year-end stocks were forecast at 155.2 million metric tons—about 20 percent less than this year's carryover. In absolute terms, world stocks would still be above the 130.6 million tons on hand at the end of the 1974/75 marketing year. However, in relative terms, the supply situation would be just as tight. At the end of 1980/81, grain stocks will likely equal about 10.5 percent of world use—the same tight relationship that existed at the end of 1974/75, when the stock/use ratio was the lowest in the 1970's.

The strong world market in sight for 1980/81 will have a considerable impact on prices of U.S. grain, particularly feed grains. With feed grain supplies smaller and exports expected to increase from the 1979/80 level, U.S. carryover stocks will likely fall to 21.9 million tons next year—58 percent less than 1979/80's carryover of 51.9 million.

For food grains, larger world supplies of wheat and rice are expected to be offset by increased use, so that carryover stocks would be virtually unchanged from 1980 to 1981.

The world soybean and cotton markets in 1980/81 also are characterized by a tight supply situation. Even though world carryin stocks of soybeans are up 66 percent from 1979 and production outside the United States is forecast up 4 percent, the smaller U.S. soybean crop has caused world supplies to fall about 5 percent from the 104.8 million metric tons available in 1979/80. Increased foreign use of soybeans likely will offset a decline in the U.S. crush, pulling world stocks down to a more normal level next year.

At the beginning of the 1980/81 marketing year, world cotton stocks were only 2 percent below a year earlier. However, the smaller U.S. crop has reduced total world supplies for 1980/81 by almost 3 percent. World mill use of cotton is expected to drop slightly from the 65.5 million bales used in 1979/80, but carryover stocks are still likely to drop by about a million bales. Most of the decline in mill use will occur in the United States.

Market supplies of livestock likely will be large in November but are expected to taper off beginning in mid-December. However, upward pressure on feed grain prices has raised costs for the livestock industry, which will act to dampen livestock producers' response to higher livestock prices.

On October 1, pasture and range conditions were rated poor or worse in States accounting for almost 75 percent of the July 1 inventory of "beef cows that have calved". Cow/calf operators in these States are concerned about water supplies and are also faced with a shortage of hay and high prices for cottonseed cake and purchased hay. This has resulted in increased culling of beef cow herds from last year's low level and may slow the rate of cyclical expansion in beef cattle numbers next year. [Larry Van Meir (202) 447-2317]

CROP HIGHLIGHTS

Wheat

Winter wheat seeding is largely complete. Seedbeds in the Southern Plains were dry as the normal planting time arrived. In anticipation of fall moisture, "dusting in" (seeding with insufficient soil moisture for germination) was common. October rains helped germination, but concern about the level of subsoil moisture and adequate pre-winter growth remains. Moisture conditions are ideal in the eastern and western soft wheat areas.

Although the 1980 U.S. wheat crop was record large—estimated at 2.36 billion bushels on October 1—production of the different types of wheat varied considerably. Winter wheat, which will account for 80 percent of total wheat output this year, was up 17 percent from a year ago. However, drought in the Northern Plains severely reduced the spring wheat crop, hitting the Hard Red Spring crop so hard that it fell nearly 14 percent from 1979. Durum wheat output was about the same as last year, but still 20 percent below 1978 production.

Nevertheless, total 1980/81 wheat supplies will soar to 3.3 billion bushels, also the largest ever. Reflecting these large supplies, October 1 stocks of all wheat swelled 9 percent from a year earlier to 2.5 billion bushels. However, durum wheat stocks were down 20 percent from October 1979. [Allen Schienbein, (202) 447-8776].

Feed Grains

Total output of feed grains this year was estimated on October 1 at 192 million metric tons, 18 percent below last year's record. This summer's drought cut U.S. average feed grain yields by 16 percent, and harvested acreage for grain will probably be down almost 2 percent from a year ago.

Corn harvest is in full swing and is well ahead of last season's pace. This year's production of corn is currently estimated at 6.5 billion bushels, 17 percent less than in 1979. Since harvested acreage is about the same as last year, lower yields account for all of the drop. In the major producing States of Illinois, Indiana, Iowa, and Nebraska, yields are expected to be down 15 to 25 percent.

Sorghum suffered the largest drop in output of all the feed grains—33 percent. The Central and Southern Plains—where most U.S. sorghum is produced—were the hardest hit by this summer's drought. As for the other feed grains, barley output is down 7 percent, and oats are likely to be off 16 percent.

Even though feed grain stocks entering the 1980/81 marketing year were somewhat higher than a year ago, total supplies of feed grains for the year are still expected to be down 13 percent to about 244 million metric tons. October 1 stocks of corn were 1.6 billion bushels, up from 1.3 billion a year earlier. However, stocks of sorghum, barley, and oats were all down. [Walt Spilka (202) 447-6363]

Soybeans

On October 1, U.S. soybean production was estimated at 1.76 billion bushels—down 23 percent from 1979. Harvested acreage will be down about 5 percent from last year, while yields—estimated at 26 bushels per acre—are off 19 percent. The summer drought hurt yields the most in Arkansas, Georgia, Kansas, Missouri, Mississippi, and Tennessee. Except for Illinois, yields in the Midwest were down only slightly.

The larger soybean stocks carried into 1980/81 will only partly offset the reduced production. Carryover stocks of soybeans, at 359 million bushels, were about double year-earlier levels. Nevertheless, 1980/81 supplies available for crushing and export, at 2.12 billion bushels, will be 13 percent below last season.

Reduced soybean supplies, higher prices, and lower feed demand will cause crushings to drop this year. As a result, soybean meal supplies will likely fall 8 percent this season to 25.1 million short tons. Soybean output will also be off, although the sharply larger carryin stocks will keep total soybean supplies only 4 percent below the 1979/80 level. [Leslie Herren (202) 447-8444]

Peanuts

The U.S. peanut crop is estimated at 2.5 billion pounds (farmers' stock basis) this year, down 37 percent from 1979. Harvested acreage is expected to decline 5 percent, and yields, now estimated at 1,730 pounds per acre, are 34 percent lower than last season. Hot, dry weather during the growing season was responsible for the sharp decline.

Total peanut supplies are now estimated at around 3.1 billion pounds, compared with 4.5 billion in 1979/80. To make matters worse, a large quantity of peanuts are not making edible grade this year. Thus, food use in 1980/81 will likely decline because of short supplies and high prices.

Peanut crushings in 1980/81 are likely to fall below the 570 million pounds crushed last season. The sharply smaller crop will greatly reduce supplies available for crushing, although a greater percentage of the crop could be channeled into the crushing market because of poor quality. Similarly, peanut exports will fall sharply below the 1.0 billion pounds shipped in 1979/80. With the short crop, U.S. peanuts will not be as competitively priced as last year.

Farm prices for all grades of peanuts averaged about 23 cents a pound in August-September, almost the same as a year earlier. However, with edible grade peanuts in short supply this season, prices are expected to rise sharply. [Leslie Herren (202) 447-8444]

Cotton

On October 1, the 1980 U.S. cotton crop was estimated at 11.6 million bales, 3 million less than in 1979. The U.S. average yield—estimated at 419 pounds per harvested acre—is the lowest in nearly a quarter-century and is in stark contrast with 1979's record-high 548 pounds.

Hot, dry weather in the Southern Plains—Texas and Oklahoma—reduced that region's average yield to 257 pounds per acre from 393 pounds last year. Average yields in the Delta States and Southeast were also reduced sharply this year. However, yields in California and Arizona, where 40 percent of this year's crop is being harvested, could average around 985 pounds per acre, only slightly below the 1979 level.

This year's production, added to the relatively low carryin of 3 million bales, puts total 1980/81 supplies at 14.6 million bales, about 4 million below 1979/80 and the smallest in five seasons. [Sam Evans (202) 447-8636]

Tobacco

The 1980 tobacco crop is expected to total 1.79 billion pounds, 17 percent more than was produced in 1979, when blue mold cut yields sharply. By early November, most of the flue-cured crop had been sold, with prices averaging \$1.45 a pound—5 cents above 1979's average. Twelve percent of the crop had been placed under loan, more than last year. The crop was not as usable for export as in the past two seasons, but domestic purchases were maintained because of the steady sales of cigarettes in the United States. [Robert H. Miller (202) 447-8776]

Vegetables

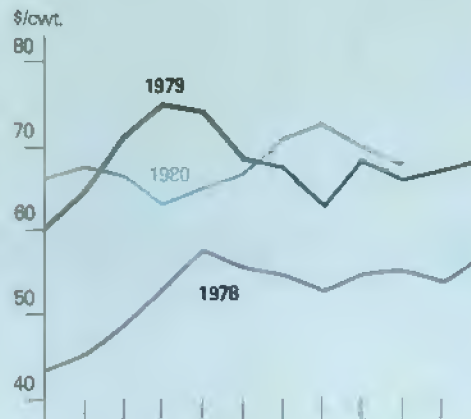
The area contracted for production of seven major processing vegetables in 1980 is estimated at 1.3 million acres, down 12 percent from 1979. Production declines are expected for green lima beans, snap beans, sweet corn, green peas, winter spinach, and tomatoes. Only spring spinach shows an increase.

The carryover of leading canned vegetables was nearly one-fifth larger than last year. Stocks of frozen vegetables on October 1 totaled 1.7 billion pounds, 12 percent below the year-earlier level. With smaller packs in the offing, supplies of both canned and frozen vegetables will be down about 6 percent from a year ago.

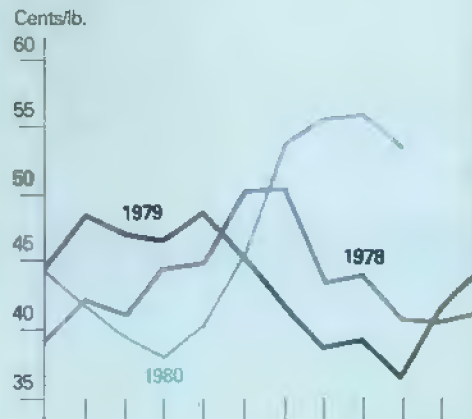
Smaller supplies, combined with higher processing and marketing costs, will mean higher wholesale prices for canned and frozen vegetables for the rest of 1980 and through the first half of 1981. However, prices for frozen vegetables will be relatively higher than for canned vegetables because of higher marketing costs. [Joe Podany (202) 447-9200]

Commodity Market Prices: Monthly Update

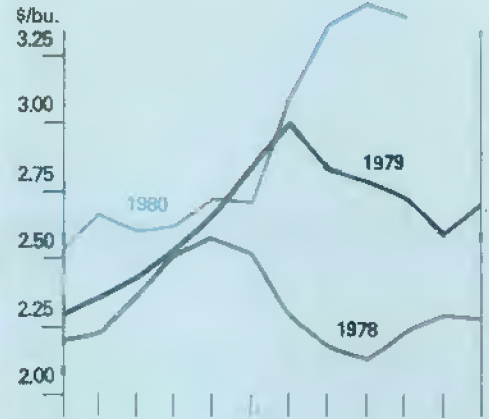
Choice Steers¹



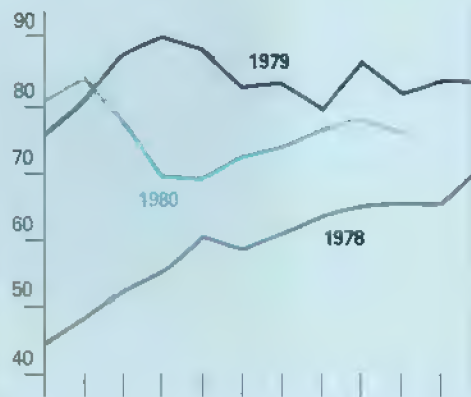
Broilers⁴



Corn⁸



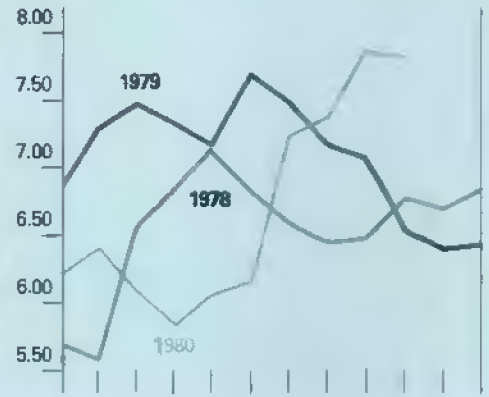
Choice Feeder Cattle²



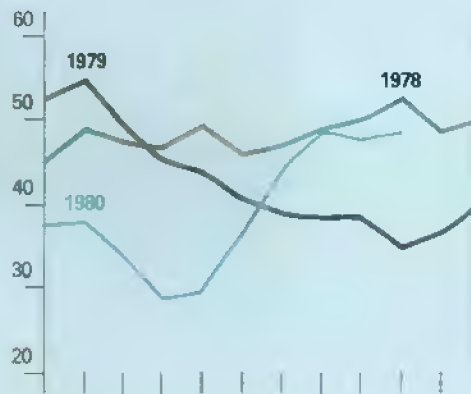
Eggs⁵



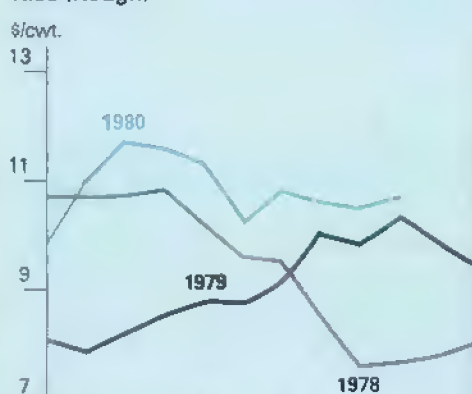
Soybeans⁹



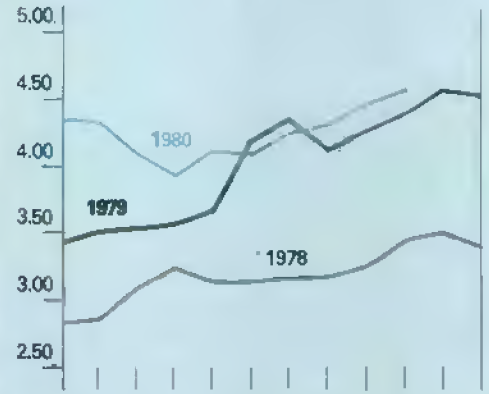
Barrows and Gilts³



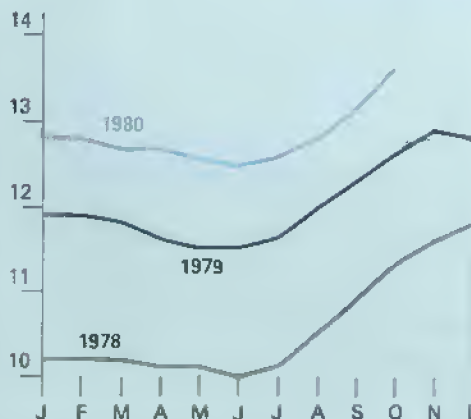
Rice (Rough)^{6,7}



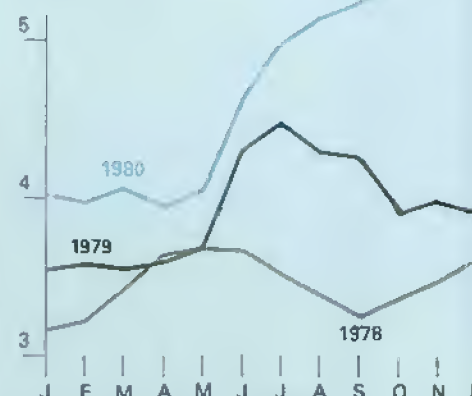
Wheat¹⁰



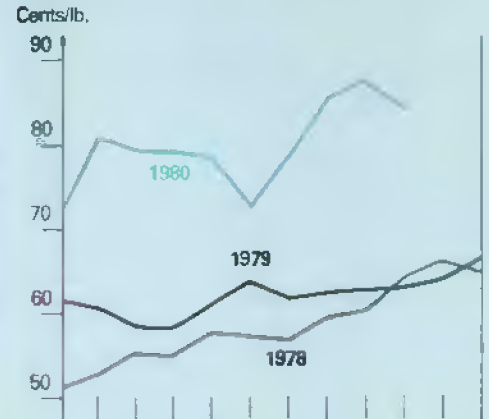
All Milk⁷



Sorghum Grain⁷



Cotton¹¹



¹Omaha. ²600-700 lbs., Kansas City. ³7 markets.

⁴Wholesale, New York. ⁵Grade A Large, New York.

⁶October is first half of month average.

⁷Farm prices.

⁸No. 2 Yellow, Chicago. ⁹No. 1 Yellow, Chicago.

¹⁰No. 1 HRW, Kansas City.

¹¹Average spot market, SLM, 1-16"

November 1980

Citrus Fruit

Barring a frost in the key citrus areas this winter, total citrus output in 1980/81 is likely to be record large. On October 1, this season's total citrus crop was forecast at 16.5 million tons, slightly above the 1979/80 record.

This year's *orange crop* could reach 276 million boxes, up 1 percent from last season's record. Orange production in Florida is estimated down 2 percent from last season's record crop, but the California crop is expected to be 9 percent larger. The Texas crop may be 39 percent larger than last season's small harvest, but Arizona's production could be 20 percent smaller.

Combined with expected larger carryover stocks of most processed items, mainly frozen concentrated orange juice, a record orange crop would cause orange prices to remain weak. Prices of fresh oranges will be lower than last year, barring a major freeze. Supplies of California Navel oranges and the record apple crop will also weaken orange prices. Grower prices will likely remain below year-earlier levels through the winter, with the lower prices showing up at retail outlets in the months ahead despite continually rising marketing and distribution costs.

Grapefruit production is now estimated at 68.7 million boxes (including, for California, desert valley fruit only), 2 percent less than last season but 6 percent more than in 1978/79. Smaller crops are currently expected for all producing areas except Texas. However, carryover stocks of most processed grapefruit products are up going into the 1980/81 season. The smaller crop, relatively good processor demand, and strong export markets may keep grapefruit prices firm this season, unless the record orange crop exerts some downward pressure.

The Arizona-California *lemon crop* is forecast at 25.9 million boxes, 25 percent above last year and 32 percent larger than in 1978/79. So far this season, f.o.b. prices for fresh lemons have averaged 36 percent below year-earlier levels. In view of the sharply larger crop, lemon prices are expected to remain below 1979/80 levels. [Ben Huang (202) 447-7290]

Sugar

After fluctuating between 28 and 32 cents a pound between June and August 1980, the world price for sugar shot up 5 cents in mid-September and another 5 cents by mid-October—reaching 42 cents. Reports of another poor sugar crop in the USSR, lowered expectations of India's crop, and possibly substantial restrictions on Brazilian exports fueled the price rise. Brazil has indicated it will stop new registrations for sugar exports to ensure a reserve of sugar for conversion to gasohol should oil supplies be further disrupted by the Iran-Iraq war. The 1980/81 global sugar output appears likely to total less than 90 million metric tons (raw value) and could be as low as 86.5 million. A world stock drawdown of 2 to 4 million tons is likely.

Following the world sugar price rise, the domestic price for raw sugar (landed New York, duty-paid) jumped to about 43 cents a pound in mid-October from a September average of 35.9 cents. This price increase will eventually be passed through to retail. Meanwhile, in September the average retail price for refined sugar in the United States rose about a cent to 43.2 cents a pound, after stabilizing at 42 cents in July and August.

As of October 1, the 1980 U.S. sugarbeet crop was estimated at 23.2 million short tons, about 5 percent greater than in 1979. U.S. beet sugar output in 1980/81 is still estimated at around 3 million tons. With improved prospects for harvest in Florida and Louisiana, cane sugar output is now forecast at 2.7 million tons. Thus, U.S. beet and cane sugar production in 1980/81 is expected to total about 5.7 million tons, up from 5.6 million last season. [Robert Barry (202) 447-9200]

LIVESTOCK HIGHLIGHTS

Cattle

On October 1, the number of cattle and calves on feed surpassed the year-earlier level for the first time since the fourth quarter of 1978. However, the increase was small, and the number on feed was 12 percent below the third-quarter 1978 level.

Net feedlot placements during the third quarter increased 9 percent as the summer drought forced cattle to be moved off grass earlier than usual. Fed cattle marketings during the third quarter totaled 4 percent below a year ago. The decline reflected reduced feedlot placements during February-April.

Increased feedlot placements and larger non-fed steer and heifer slaughter have reduced the yearling supply 7 percent from a year ago. However, the larger 1980 calf crop pushed the number of calves in the feeder cattle supply up 7 percent. Total feeder cattle supplies available to go on feed are 4 percent above last fall's level.

Poor planting conditions and low rainfall in winter grazing areas through mid-October continue to cloud prospects for fall and winter grazing. Failure to generate small grain pasture could force increased feedlot placements and nonfed slaughter this fall.

Choice fed steer prices dropped below \$70 per cwt. in late summer. Increased fed cattle marketings, continued large nonfed slaughter, and a seasonal increase in hog slaughter served to hold down prices. Prices are expected to increase to the lower \$70's later in the fourth quarter as supplies of competing meats decline.

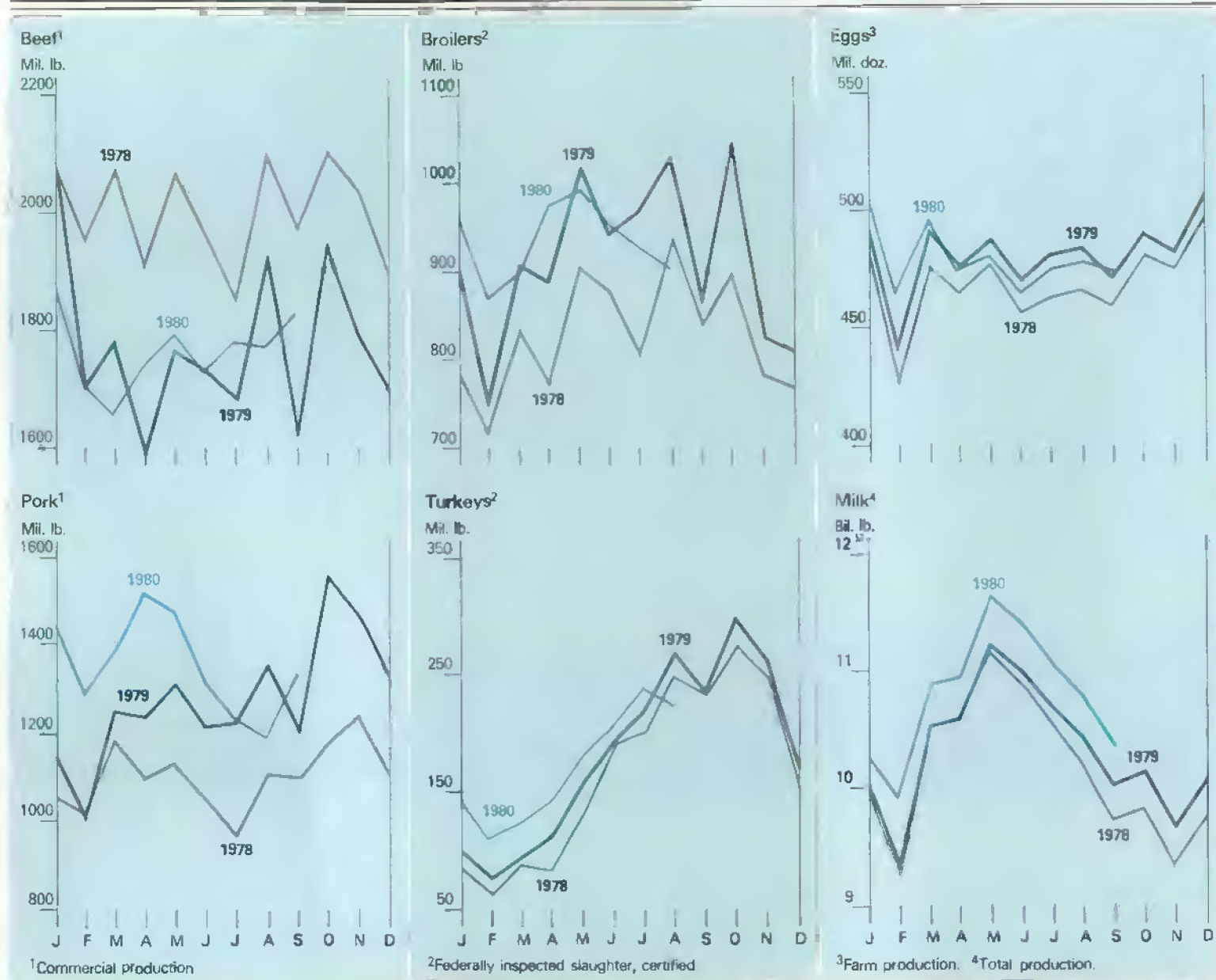
Yearling feeder steers at Kansas City continue to trade in the mid-\$70's. Despite prospects for higher fed cattle prices in 1981, feeder cattle price increases have been held down by poor grazing prospects, higher grain prices, and increased interest rates. Unless fall and winter grazing prospects improve markedly, little additional price strength is likely until the spring grazing season approaches. [Ron Gustafson (202) 447-8636]

Hogs

The price of corn and feed concentrates increased rapidly this summer, boosting feed costs for farrow-to-finish operators to about \$32 per cwt. of hogs sold in September, up \$5 from a year earlier. Other cash costs that must be covered by operators are estimated at about \$15 per cwt., so total cash costs of production are near \$47. For producers who have recently erected their facilities or are considering expansion, costs of production are even higher because of the increasing cost of buildings and equipment.

Because of the rapid rise in production costs and the low prices hog producers received this spring, producers reduced their breeding inventories. By September 1, 1980, this inventory was down 10 percent from a year earlier—pointing to smaller hog output in 1981 and, consequently, higher prices. [Robert Remmele (202) 447-8636]

Supplies Update: Livestock and Products



Broilers

The reduced grain output this fall and resulting higher feed prices have already increased the cost of producing broilers. In September, the cost was estimated at 47 cents a pound (ready-to-cook). As corn and soybean meal prices have continued to rise, broiler production costs will increase further in coming months.

Responding to good returns in the third quarter, broiler producers have increased the number of eggs set to produce broilers in the fourth quarter. Fourth-quarter output may equal or slightly exceed last year's level, weakening prices from their third-quarter highs.

The 9-city weighted average wholesale price was 54.8 cents a pound in September and averaged 53.3 cents for the entire third quarter. The wholesale price may average 48 to 50 cents a pound in the fourth quarter, 6 to 8 cents above year-earlier levels. [Allen Baker (202) 447-8636]

Turkeys

Turkey production in the fourth quarter may be down almost 1 percent from 1979, and yearend cold storage stocks are expected to be down from last year's high levels. Thus, per capita consumption in the fourth quarter will be about the same as last year.

October-December wholesale prices for young hen turkeys in New York may average 5 to 7 cents per pound above last year's 73 cents. Prices will be strengthened by reduced pork production and higher beef and pork prices. [Allen Baker (202) 447-8636]

Eggs

Egg production had been running below a year earlier until prices increased in August and September. Output was up slightly in September, and production in the fourth quarter may about equal year-earlier levels. Egg prices usually strengthen in the fourth quarter. This year, prices for Grade A large eggs in New York during October-December may average 69 to 71 cents a dozen, about the same as last year. [Allen Baker (202) 447-8636]

Dairy

The amount of milk used in manufactured dairy products during January-August was 3.3 billion pounds larger than a year earlier—reflecting increased total milk production. Almost all of this increase was used in butter and American cheese. Meanwhile, commercial disappearance of butter during January-August was down 4.5 percent, while use of American cheese was off 5 percent, and use of other types of cheese was about even with a year ago.

Wholesale prices of butter and American cheese advanced during the summer in anticipation of the October 1 increase in USDA support purchase prices. As of late October, Grade A butter prices in Chicago were quoted at \$1.47 a pound—nearly 7 cents above the old support price and about 2 cents shy of the purchase price effective October 1. Meanwhile, cheddar cheese prices (40 pound blocks at Wisconsin assembly points) stood at \$1.40 per pound, about 1 cent above the new support price.

For the rest of 1980 and most of 1981, milk production is expected to continue above year-earlier levels. Since fluid use will likely be unchanged, manufactured dairy product output will be larger. However, commercial use will likely be more buoyant because meat price increases will make cheese relatively more attractive to consumers. *(Clifford Carman (202) 447-8636)*

FARM INCOME

The overall farm income picture for 1980 has not changed much in the past 2 months. The recent large price increases for most farm commodities will offset declines earlier in the year, leaving average prices received by farmers for all of 1980 about 2 percent higher than last year. With prices paid by farmers for production items expected to show an overall gain of 11 percent in 1980, net farm income is forecast to decline substantially from 1979.

Despite Improvement, 1980 Net Income Still Down from 1979

Total cash receipts this year are expected to reach \$139 to \$141 billion, 6 to 7 percent above 1979. While total crop receipts could be up 13 percent from 1979 to around \$71 billion, livestock receipts may only rise slightly from 1979, totaling about \$69 billion. Preliminary data on cash receipts for January-August 1980 show livestock receipts at about \$44.7 billion,

down 1 percent from 1979, and crop receipts at about \$38.9 billion, a gain of 17 percent. Total cash receipts during the first 8 months of 1980 were 7 percent higher than a year earlier.

Prices paid by farmers for production items will average about 11 percent higher in 1980 than in 1979. In October, this index was 11 percent above a year earlier. For the year, prices paid by farmers for fuel likely will average almost 40 percent above last year, fertilizer prices will be up almost a fourth, and prices for farm chemicals will average about 18 percent higher. Interest rates will also average substantially higher than in 1979. Moderating these sharp price gains are more modest increases of 8 percent expected for wages and for building and fencing materials and 6 percent for autos and trucks. Feeder livestock prices will average 3 to 4 percent lower than in 1979.

The 11-percent gain in input prices in 1980 will translate into a 10- to 12-percent rise in total production expenses, depending on how farmers adjusted their input use in response to the low farm prices and high input costs earlier this year.

Net farm income before inventory adjustment may total \$24 to \$26 billion this year, compared with \$26.9 billion in 1979. After inventory adjustment, the income decline will be greater.

Earlier, increases in the value of the change in the cattle inventory and some increase in wheat inventories were expected to offset declines in other commodities, but this now seems unlikely. Further downward revisions in the estimate of 1980 crop production point to a significant drawdown in farmer-held stocks of corn, soybeans, and cotton. Hog inventories at the end of the year will also be down from a year earlier. The total value of inventory change in 1980 will be negative by \$1 billion or more, reducing 1980 net farm income after inventory adjustment to \$23 to \$25 billion, compared with \$31.0 billion in 1979.

Brighter Farm Income Outlook for 1981

Net farm income will improve significantly next year, perhaps regaining all the loss of 1980. The 11-percent reduction in 1980 crop production, along with continued strength in grain and oilseed export demand,

will keep crop prices well above 1980 levels. Current forecasts put average corn prices in 1980/81 up more than a third, soybean prices up almost 40 percent, and wheat prices up 5 to 10 percent.

Given current prospects for increased exports and assuming no major weather-related disruptions or shortfalls in 1981 crops, overall crop prices in 1981 could average 12 to 16 percent higher than in 1980. Quantities sold in 1981 will be less than in 1980, but crop cash receipts could still rise 6 to 10 percent.

Livestock receipts are also expected to rise significantly in 1981 as total red meat and poultry production declines and prices increase sharply. Although beef production may rise modestly next year as more cattle are placed on feed, total cattle slaughter will remain relatively low as cows are retained for herd expansion. Broiler production may also show modest gains next year. Nevertheless, these increases will be more than offset by a substantial drop in pork production, reflecting a cutback in sows farrowing this fall and winter.

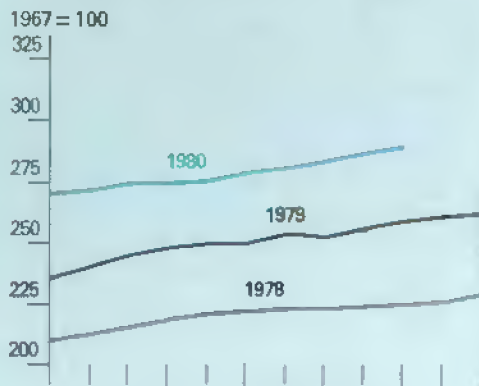
The reduction to total red meat and poultry production, along with the stronger demand expected as consumer incomes resume real growth, currently suggest a 16- to 20-percent boost to overall livestock product prices. Total livestock receipts are expected to rise a similar amount from the 1980 level.

Production expenses in 1981 may increase 10 to 13 percent from 1980, under pressure from increases in the price of feeder livestock—particularly cattle—and in feed prices. Thus, unlike 1980, inputs of farm origin will rise more than other expenses. Petroleum-based inputs such as fuel, fertilizer, and chemicals likely will also register significant price gains in 1981, but the lower inflation rate expected in the general economy should moderate price increases for manufactured inputs and hold down interest rates.

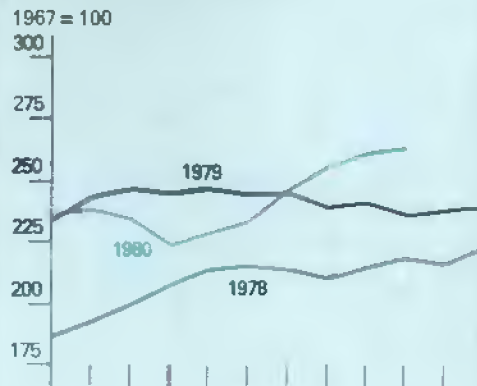
Given current expectations of 1981 crop and livestock prices and sales, total cash receipts and gross farm income could rise significantly more than total production expenses, so net farm income could rise more than enough to offset all the decline of 1980 and range between \$26 and \$33 billion. *(George Hoffman (202) 447-2317)*

Prime Indicators of the Agricultural Economy

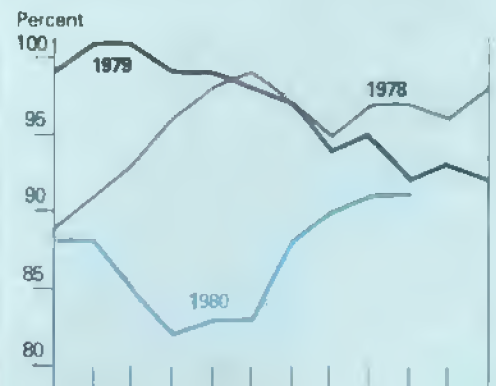
Prices Paid by Farmers¹



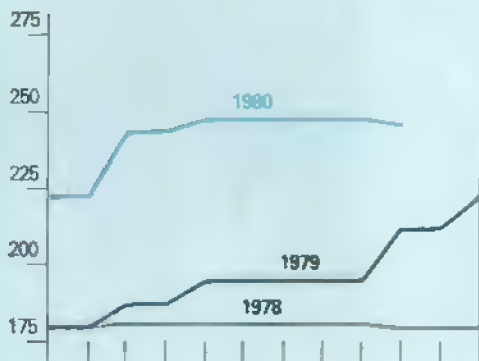
Prices Received by Farmers



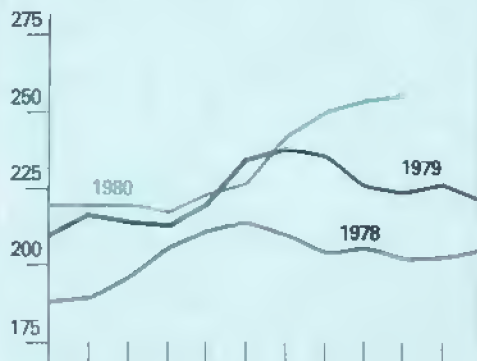
Ratio of Prices Received to Prices Paid



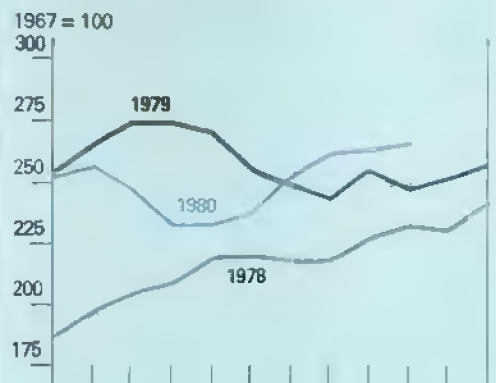
Fertilizer Prices



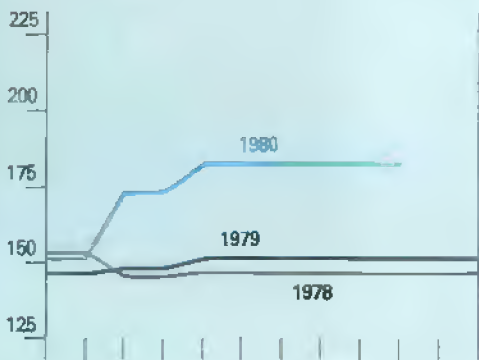
All Crops



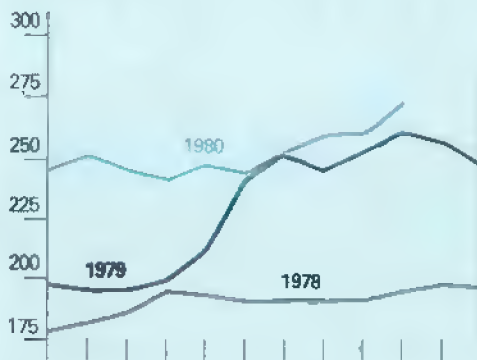
Livestock and Products



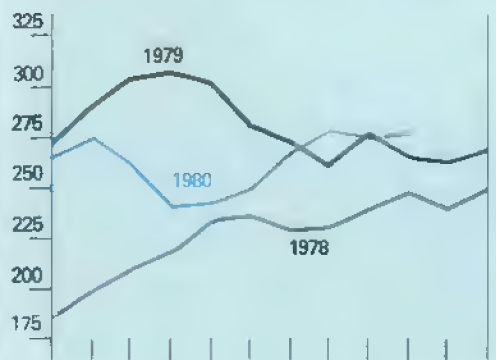
Agricultural Chemicals



Food Grains



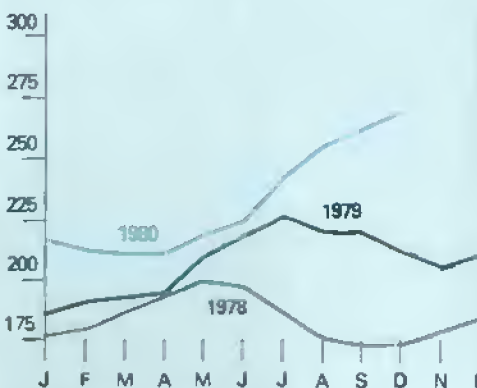
Meat Animals



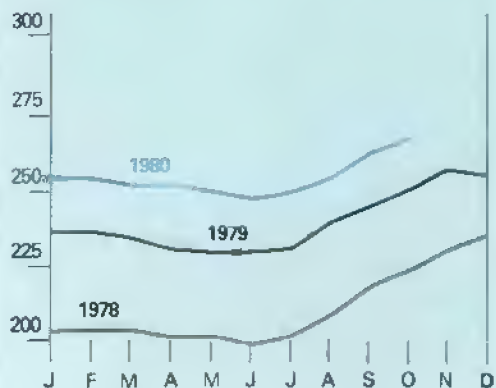
Tractors and Self-Propelled Machinery



Feed Grains and Hay



Dairy Products



¹For commodities and services, interest, taxes, and wages.

All series except "Ratio of Prices Received to Prices Paid" are indexes based on 1967 = 100.



Food and Marketing

The Consumer Price Index (CPI-U) for food rose 0.9 percent in September before seasonal adjustment. Grocery store food prices rose 1.0 percent, while the prices of food purchased for use away from home increased 0.7 percent. The farm value of food was up 1.2 percent, accounting for about two-fifths of the food-at-home increase. The farm-to-retail price spread advanced 1.1 percent, accounting for about half the increase. Imported food and fish prices accounted for the remainder of the rise.

Retail prices for red meats and poultry rose again in September, reflecting reduced livestock marketings and increased farm value earlier in the quarter, but prices for fresh fruit fell during the month as the 1980 apple harvest began. Sharp increases in lettuce prices, resulting from shifts in harvest areas, caused fresh vegetable prices to jump 3.4 percent.

Farm Value Boosts Third-Quarter Food Prices

Retail food prices increased at an annual rate of 12.9 percent during the third quarter. This was significantly higher than the 9.7 and 8.8 percent rates in the first and second quarters and was the largest quarterly rise since the first quarter of 1979.

Third-quarter increases were primarily the result of higher farm prices. By contrast, in the first and second quarters, farm prices were declining or stable, and retail increases were attributable to rising marketing costs.

Increases in marketing costs moderated in the third quarter, while prices received by farmers increased sharply from the second quarter. Higher farm prices for beef, pork, poultry, and eggs were prime contributors to third-quarter retail food price increases. Price increases for these items largely reflected planned production cutbacks, as livestock and poultry producers reacted to financial losses between mid-1979 and 1980. The hot, dry summer also caused lower production.

Fresh fruits and vegetables also contributed to third-quarter price increases. Retail prices of apples, oranges, and potatoes were up significantly. Some price increase for these commodities is normal for the third quarter as supplies diminish seasonally. This year, however, vegetable supplies were especially lower than normal. Summer potato supplies were down because of reduced planted acreage and lower yields in the drought-plagued Red River Valley of North Dakota.

Despite a record apple crop last year, cold storage supplies in the third quarter were about half those of a year earlier, reflecting high 1980 export demand. Sharp price increases for oranges occurred in the third quarter as supplies diminished seasonally. Nevertheless, with the record size of the 1979/80 orange crop, prices were still 6 percent lower than in the third quarter of 1979.

Retail Price Increases To Moderate in Fourth Quarter

In the fourth quarter, retail food prices are expected to increase more slowly than during the third quarter. Red meat and poultry supplies are expected to increase seasonally, slowing retail price rises. Fresh fruit prices will decrease as the new apple and citrus crops move to market. Prices for dairy products will increase, partly because of the October 1 increase in price supports. The price of sugar and products containing sugar will continue to increase as raw sugar prices climb.

Fresh vegetable prices are expected to decrease seasonally. However, because fewer acres were planted this year, prices for potatoes, lettuce, and tomatoes are likely to remain above year-earlier levels.

Retail prices in all food categories are expected to rise in 1981. The rise will be greater than the 9 percent estimated for this year—most likely falling between 10 and 15 percent. As in the second half of 1980, rising farm prices will contribute more than rising marketing costs to increases in retail food prices.

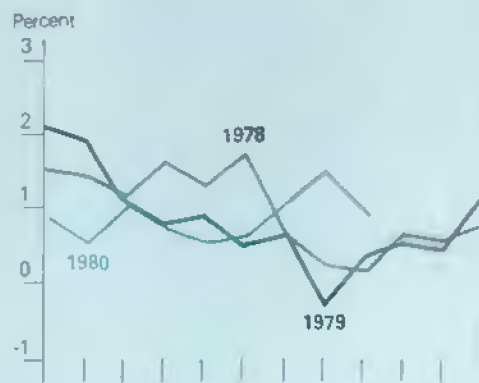
Pork, Sugar Prices Will Lead 1981 Increases

Much of the 1981 food price increases will be attributed to red meats and poultry, as the total supply of these commodities declines from 1980. Decreased pork production will be only partly offset by slight increases in beef and poultry production. Thus, with total meal supplies reduced and with some strengthening of the economy, retail meat prices can be expected to rise throughout the year.

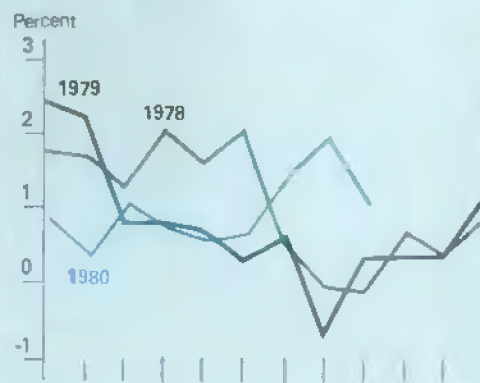
Sugar prices, too, will keep on climbing. After 2 years of poor crops, worldwide sugar supplies are low, and retail prices of soft drinks, cereals, bakery products, and canned fruits will be affected—as will the price of refined sugar itself. Price increases for fresh fruit in the first half of 1981 will likely be moderate as record apple and orange crops are expected. [Ralph Parlett (202) 447-6860]

Food and Marketing Indicators

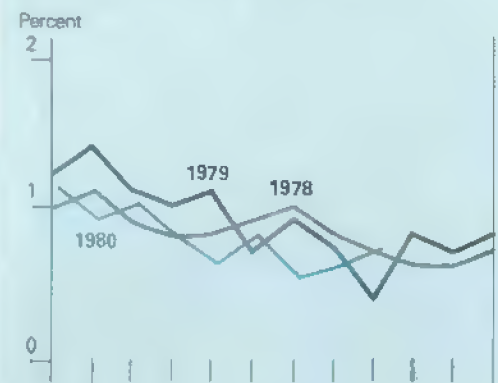
CPI: Total Food[○]



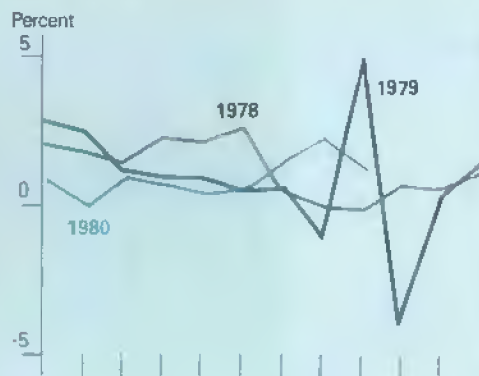
CPI: Food at Home[○]



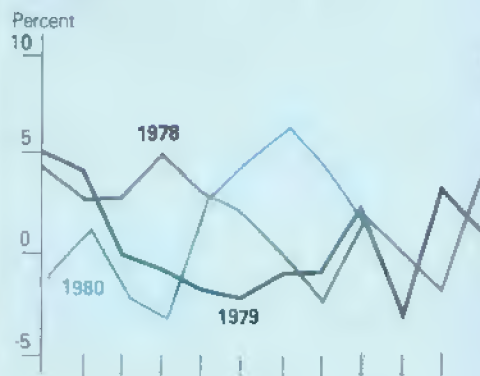
CPI: Food Away from Home[○]



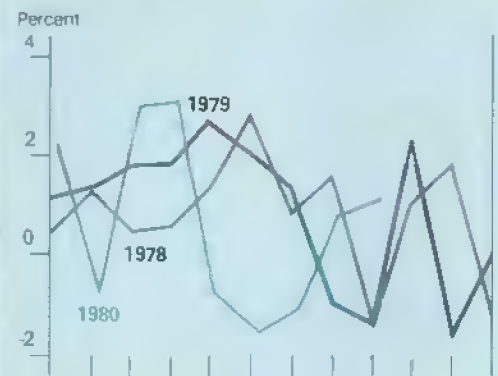
Farm Food Market Basket



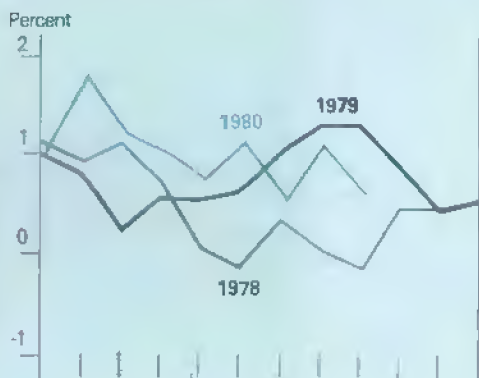
Farm Value



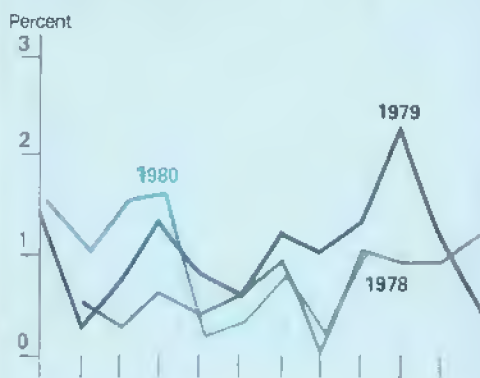
Farm-to-Retail Spread



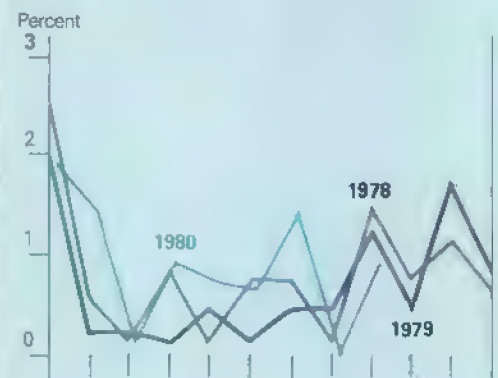
Imported Food and Fishery Products



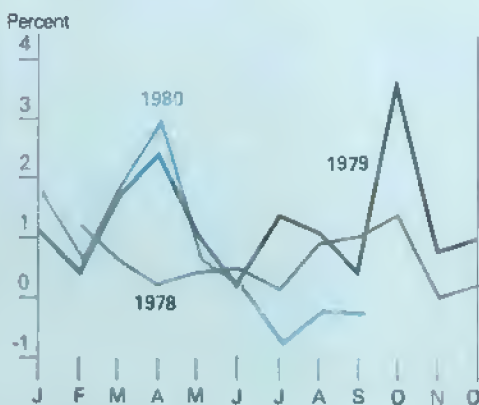
Marketing Cost Index



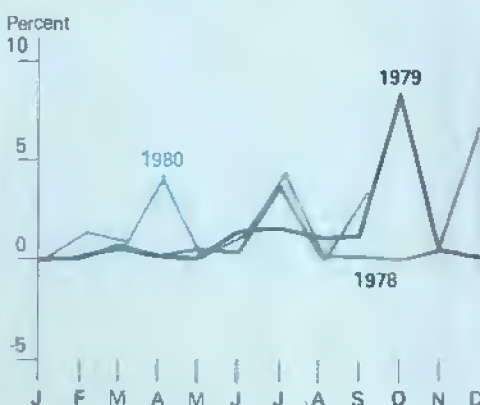
Labor



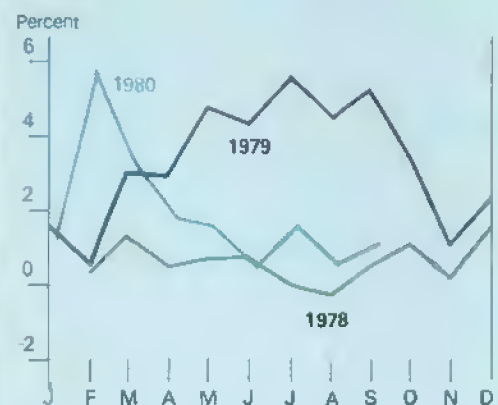
Packaging



Rail Freight Rates



Energy



[○] CPI unadjusted.
All series expressed as percentage change from previous month.

FOOD MARKETING COSTS

The marketing bill—a measure of the processing and distribution costs for U.S. farm foods purchased by civilian consumers—is expected to increase 11 percent in 1980, considerably less than the rise in most input prices and the general inflation rate. In 1979, the marketing bill rose 12 percent.

Factors that helped moderate the rate of increase in the marketing bill this year include: 1) the squeezing of marketing margins in the second half as prices of farm commodities rose faster than retail prices, and 2) the decline in real sales of away-from-home eating establishments. Most of the rise in the marketing bill can be traced to the rapid increase in costs during the first half of 1980—particularly for transportation, packaging, and energy.

Plentiful supplies of red meats (especially pork), poultry, and fresh fruits and vegetables helped stabilize the farm value of retail foods during the first half of 1980. However, because of rising farm prices in the second half, the farm value is expected to total \$86 billion this year, \$6 billion more than in 1979.

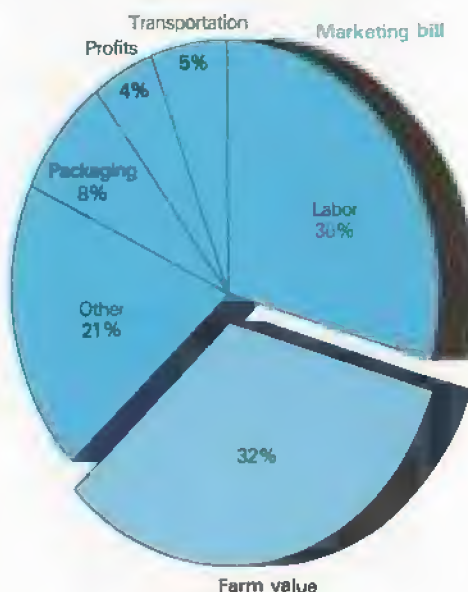
Higher processing and distribution costs will account for most of the increase in consumer expenditures for food this year. Purchases in food stores and eating places, plus the value of food served by schools, hospitals, and other institutions, could total \$268 billion, a \$24 billion increase from 1979.

Components of marketing bill for farm foods

Item	1972	1974	1977	1978	1979 ¹
Marketing bill	82.4	98.2	134.3	146.0	163.7
Labor ²	36.6	44.3	58.4	66.2	73.7
Packaging materials	8.9	11.8	15.2	16.4	18.5
Transportation, rail and truck ³	6.1	7.5	9.8	10.5	12.2
Corporate profits before taxes	4.0	6.1	8.0	9.1	10.1
Other ⁴	26.8	28.5	42.9	43.8	49.2

¹ Preliminary. ² Includes supplements to wages and salaries such as pensions and health insurance premiums. Also includes imputed earnings of proprietors, partners, and family workers not receiving stated remuneration. ³ Does not include local hauling charges. ⁴ Includes business taxes, depreciation, rent, advertising, interest, energy, and numerous other costs.

Components of Retail Food Prices



For domestic farm foods purchased by civilian consumers for consumption both at home and away from home. 1981 estimated.

Three-fourths of this rise is attributable to an \$18 billion increase in the marketing bill, which may total \$182 billion this year.

Marketing costs tend to follow the general rate of inflation. The inflation rate is anticipated to moderate in 1981 from the 1980 rate. In 1981, marketing costs are expected to more closely parallel rates of increase in wages and prices of marketing inputs than has been the case in 1980. Marketing firms are expected to widen margins in response to cost pressures and the reduced profit ratios incurred in 1980.

On balance, marketing costs seem likely to increase in 1981 at about the same rate as this year. Marketing cost increases will be moderated by a slow recovery from this year's sharp, but short recession and also by a more moderate rise in crude oil prices.

Accordingly, the marketing bill in 1981 is expected to increase about 10 percent. Processing and distribution costs will account for about half of the expected 12 to 13 percent increase in consumer expenditures for domestically produced foods. The farm value of these foods is expected to increase substantially more than this year.

Labor is the largest cost incurred by firms marketing farm foods, accounting for 45 percent of the total. Containers and packaging materials are the second largest cost at 12 percent, followed by rail and truck transportation at 8 percent, and corporate profits at 6 percent. Energy, advertising, depreciation, bad debts, interest, and other costs account for the rest.

Labor Costs Up 10 Percent in 1980

Labor costs are expected to increase 10 percent in 1980—about the same as in 1979. An increase of 10 to 11 percent is likely in 1981. The increase in total labor costs reflects rising unit labor costs and a gradual increase in the volume of food marketed. The rise in unit labor costs is due to higher hourly earnings and greater benefits, which may be partly offset in 1981 by a small productivity gain.

Hourly earnings of food marketing workers rose 8.3 percent in the first 8 months of 1980, the same as a year earlier. Large increases in the Consumer Price Index (CPI) in the first half of 1980 are now triggering raises for workers with cost of living adjustments (COLA).

According to the Bureau of Labor Statistics (BLS), the most common formula for COLA clauses is a 1-cent-an-hour wage increase for each 0.3-point rise in the CPI. Many employees, however, don't receive the full increase computed under the formula because of "caps" in their contracts that limit the amount of cost-of-living adjustments. These "caps" appear to have resulted in smaller COLA's in 1980 than otherwise would have been due to the inflation rate. Approximately 40 percent of the workers covered by COLA clauses are under formulas calling for quarterly reviews.

In recent years, increases in marketing workers' earnings have generally paralleled the rise in the CPI. However, in 1979 the average increase in hourly earnings, 7.9 percent, was below the 11.3 percent rise in the CPI. This year, earnings will again trail the expected rise in the CPI.

Also pushing up labor costs is the scheduled increase in the minimum wage, from \$3.10 per hour now to \$3.35 on January 1, 1981. Food service workers form one of the largest groups of employees directly affected by this change.

In addition, labor supplements, such as health insurance, private pension plans, and employer payments for Social Security and unemployment insurance, have increased more rapidly than salaries and wages. These benefits increased from 10.6 percent of labor costs in 1972 to 12.8 percent in 1979. Employers' required payments into Social Security will increase next year from 6.13 to 6.65 percent of employees' pay. Maximum taxable earnings will rise from \$25,900 in 1980 to \$29,700 in 1981.

In the outlook for labor costs, productivity is a major uncertainty. Productivity in food marketing has shown little gain in recent years, particularly in food retailing. However, in 1980 preliminary data suggest a slight gain in productivity in food processing and retailing.

Union contracts and wage settlement contracts covering about 281,000 food industry workers will be renegotiated in 1981, compared with 300,000 in 1980. According to BLS figures, major collective bargaining settlements in the first 9 months of this year provided higher wage increases than did all settlements in 1979. Over the life of the contract, annual adjustments averaged 7.3 percent for the first 9 months of 1980, and 6.0 percent for all of 1979. These settlement data do not include estimates of potential wage increases under COLA's. The proportion of workers covered by COLA's (58 percent) remained the same.

COLA clauses affected the size of settlements during the first 9 months of 1980. The average increase over the life of the contract was 5.0 percent for contracts with COLA's and 10.4 percent for those without. In the first 9 months of 1980, workers under COLA clauses received wage adjustments amounting to 70 percent of the rise in the Consumer Price Index.

Packaging Costs Up 16 Percent from 1979

Packaging costs are expected to rise 16 percent this year, compared with 13 percent in 1979. Nearly all of the increase occurred in the first 6 months.

Producer prices of paperboard and related products which account for about 30 percent of total packaging materials—rose 17 percent. This rise was due in part to higher prices of inputs such as woodpulp and residual fuel oil. Producer prices for woodpulp were 23 percent higher in the first 9 months of 1980 than a year earlier, and the price of residual fuel oil was 46 percent higher.

Producer prices of polyethylene resin, the material used for plastic containers, rose 27 percent in the first 9 months of 1980, the increase stemming directly from crude oil price hikes in the first half.

Producer prices of food packaging materials are expected to rise 9 to 12 percent in 1981, as prices for crude oil and other energy sources moderate. In addition, the slow economic recovery should slacken the demand for packaging materials.

Transportation Costs Advance

Railroad freight rates for shipping food products climbed 12 percent in the first 9 months of 1980 from a year earlier, largely reflecting general rate hikes and fuel surcharges. In the third quarter, unregulated truck rates for hauling produce from southern California to New York averaged 11 percent more than a year earlier. The cost of operating a truck rose 16 percent during the same period.

Truck and railroad rates are expected to moderate in 1981, as fuel prices increase more slowly. In addition, because of slower economic growth and deregulation of railroads and trucks, transportation firms may find competition stiffer.

Energy Costs Soar in 1980, Could Moderate in 1981

Prices for energy are rising faster than for other goods and services purchased by food marketing firms. Energy prices rose 40 percent in the first 9 months of 1980. Costs of electricity, natural gas, and other energy sources account for about 5 percent of the marketing bill. Energy prices are expected to moderate in 1981, increasing 11 to 15 percent—assuming no major disruption to world oil supplies.

Profit Ratios Down in 1980

Before-tax profits earned by food marketing firms represent 6 percent of the marketing bill, or 4 percent of retail expenditures. Profit in proportion to sales (profit ratio) during the first half of the year was lower than a year earlier. Profit ratios of food processors and food retailers were only slightly lower, while those of eating places were substantially lower. In 1981, profit ratios of food marketing firms are expected to average about the same as in 1980.

Other Costs

Depreciation, rent, repairs, interest, and other components of the marketing bill account for 24 percent of the total. These costs are expected to rise 8 percent in 1980 and 10 percent in 1981. /Leland Southard (202) 447-6860/

Upcoming Crop Reporting Board Releases

The following list gives the release dates of the major Crop Reporting Board reports that will be issued by the time the December *Agricultural Outlook* comes off press.

November

- 21 Naval Stores
Eggs, Chickens, & Turkeys
- 24 Peanut Stocks
Farm Labor
- 28 Commercial Fertilizers
Agricultural Prices

December

- 1 Dairy Products
- 3 Poultry Slaughter
Sugar Market Statistics
- 10 Crop Production
- 12 Milk Production
- 15 Cattle on Feed
Potato Stocks
- 19 Cold Storage
Livestock Slaughter
Eggs, Chickens, & Turkeys
- 22 Naval Stores
Peanut Stocks
- 23 Small Grains
Hogs & Pigs

To start receiving any of these reports, send your name, address, and zip code to: Crop Reporting Board, USDA, Room 0005-South Building, Washington, D.C. 20250. Ask for the report (s) by title.



World Agriculture and Trade

Prolongation of the conflict between Iraq and Iran or the loss of northern Persian Gulf ports will imperil Iran's already troubled food situation, while not seriously disrupting the flow of imported food into Iraq. Iraq's food supply is more secure because it is using ports in Turkey and Jordan to import food instead of those at Basra (Iraq's principal Persian Gulf port) and elsewhere in southern Iraq.

IRAN

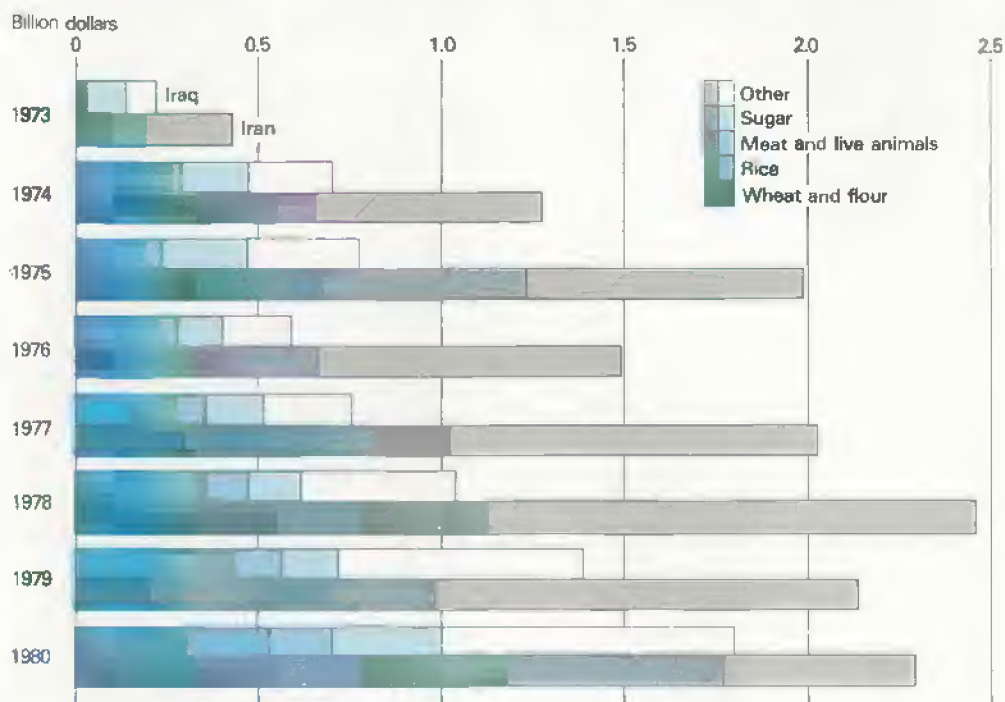
Food Supply Problems in Store

Iran continues to import roughly 30 percent of its food. Recent estimates indicate that Iran's basic agricultural situation has not changed greatly in the last year. Wheat production for 1980 remained at 4.5 to 5 million tons, with imports at about 1.5 million.

Food and Feed Grains

Most of Iran's imported wheat comes from Australia, which became the principal supplier in mid-1979. Iran has already purchased about 720,000 tons of wheat from Australia, Turkey, and Greece for delivery in the second half of 1980 and the first 2 months of 1981—which should keep wheat supplies adequate for the near term. However, the severe shortage of gasoline, plus electricity blackouts and fighting in the principal wheat importing ports portend wheat supply problems.

Iraq and Iran: Agricultural Imports Rising



The rice crop just harvested is estimated at 750,000 to 800,000 tons. Electricity shortages are likely to affect the milling of the crop. The domestic crop will need to be supplemented by imports of 400,000 tons or more. Historically, Iran's principal rice suppliers have been Thailand, Pakistan, and the United States.

While feed grain production remained at around 1 million tons this year, consumption dropped 20 percent to about 1.8 million because of Iran's inability to make up for the loss of U.S. corn. The United States supplied Iran with nearly 500,000 tons of corn in fiscal year 1979. The shortage of feed grains has affected Iran's poultry sector, and imports of eggs and poultry meat have been large during 1979 and 1980.

In 1978, Iran had been nearly self-sufficient in poultry meat and eggs. Corn purchases appear to have been spotty this year, coming mainly from Thailand and Europe. Barley has recently been purchased from France, Canada, Turkey, and Australia.

Oilseed Products

Iran continues to import more than four-fifths of its vegetable oil requirements—about 300,000 to 350,000 tons annually. Vegetable oil imports have recently come from Brazil (184,700 tons by September) and from Spain and other EC (European Community) countries. In fiscal 1979, the United States was Iran's largest supplier of soybean oil, shipping 107,659 tons.

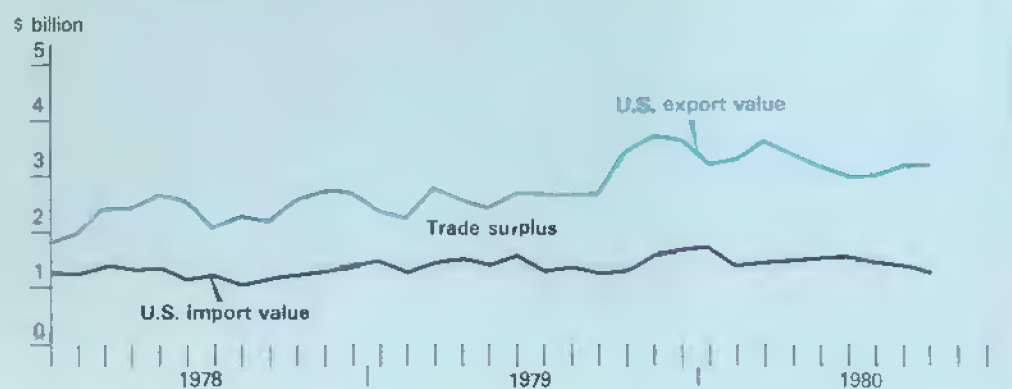
For the same period, the United States was the sole supplier of oilcake and meal, shipping an average of 100,000 tons in fiscal years 1978 and 1979. Iran is getting some protein meal from Europe, but apparently not as much as in previous years. Meal imports increased sharply in 1977 and 1978 as Iran's poultry sector expanded dramatically.

Meat Supplies

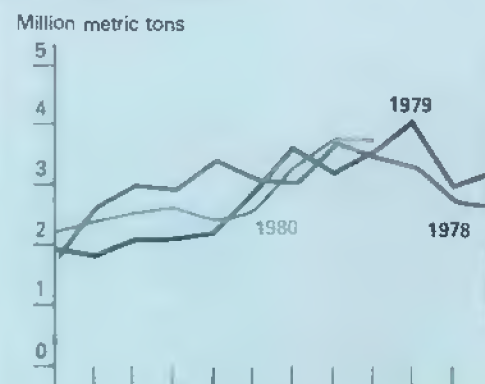
Iranian sources have projected meat imports of nearly 300,000 tons for 1980/81, nearly double last year's level. The figure, however, reflects Iran's import requirements and is not a realistic import estimate, especially in view of the current hostilities. Iran's principal meat suppliers—New Zealand and Australia—have curtailed shipments to Iran because of the recent fighting in the Persian Gulf, thus placing further pressure on Iran's already tenuous meat supplies.

U.S. Agricultural Trade Indicators

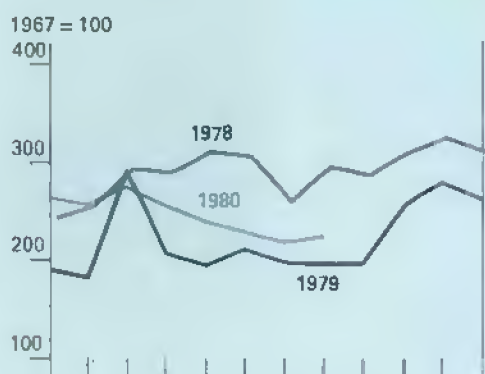
U.S. Agricultural Trade Balance



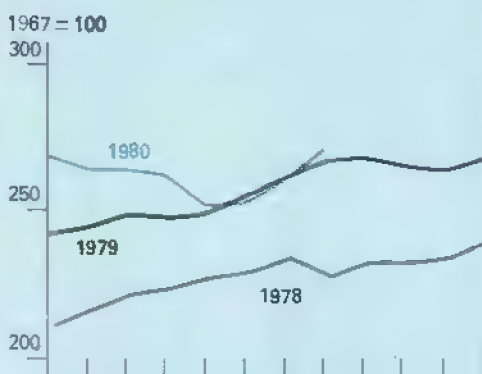
U.S. Wheat Exports



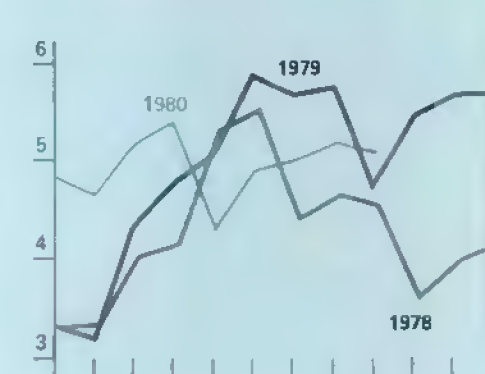
Export Volume



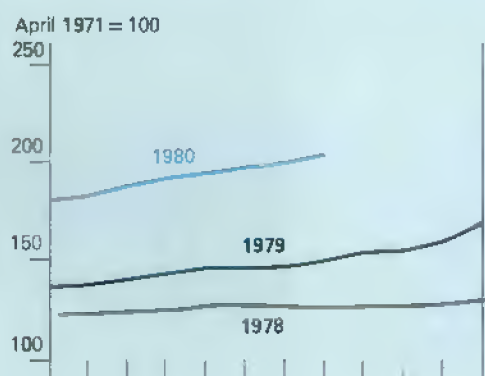
Export Prices



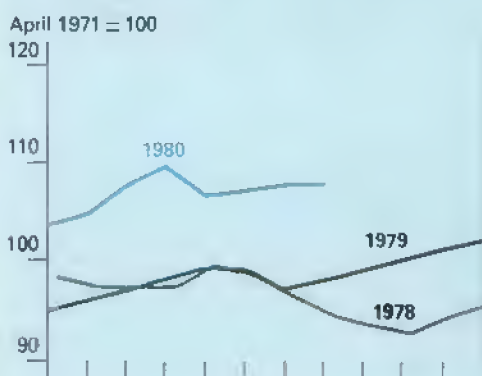
U.S. Corn Exports



Wheat Exchange Rate*



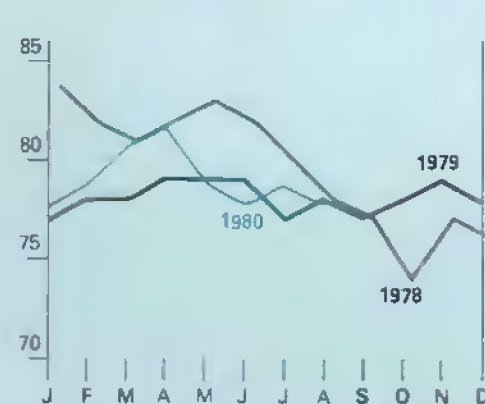
Corn Exchange Rate*



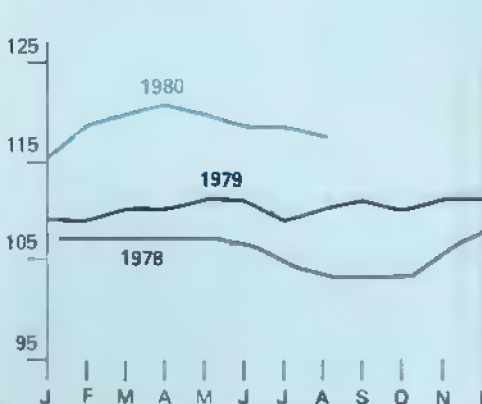
U.S. Soybean Exports



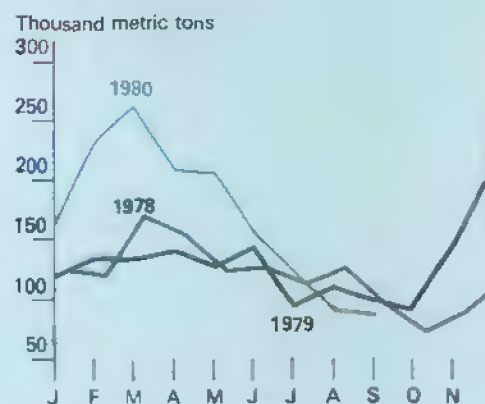
Soybeans Exchange Rate*



Cotton Exchange Rate*



U.S. Cotton Exports



*Foreign currency value of U.S. dollar, weighted by relative size of agricultural trade with the United States. An increasing value indicates that dollar has appreciated against the basket of currencies represented in that particular commodity market

Iran imports about one-third of its meat, and transportation by air and ship recently has been suffering a meat shortage for some time; at the beginning of 1980, meat was rationed for a time. As much as 50 percent of the imported meat is consumed in urban areas, and Tehran has already felt the shortage. Poultry meat imports are estimated at 50,000 tons, with most coming from Eastern Europe and Brazil.

Iran's sugar production has averaged 600,000 tons in recent years, and consumption is estimated at 1.3 to 1.4 million tons. Imports for 1980/81 are projected at 700,000 tons. However, Iranian sources have indicated an even higher import figure, suggesting that their beet crop may not be faring well.

Iran's food import bill for 1980/81 is estimated to exceed \$2 billion, with meat and sugar accounting for more than half the total. Prolonged hostilities in the area pretend shortages of a number of imported commodities. Vegetable oil and rice are already reported to be in short supply, although at this point the shortage likely is restricted to the grocery shelf since Iranians tend to hoard substantial amounts of these commodities at home.

IRAQ

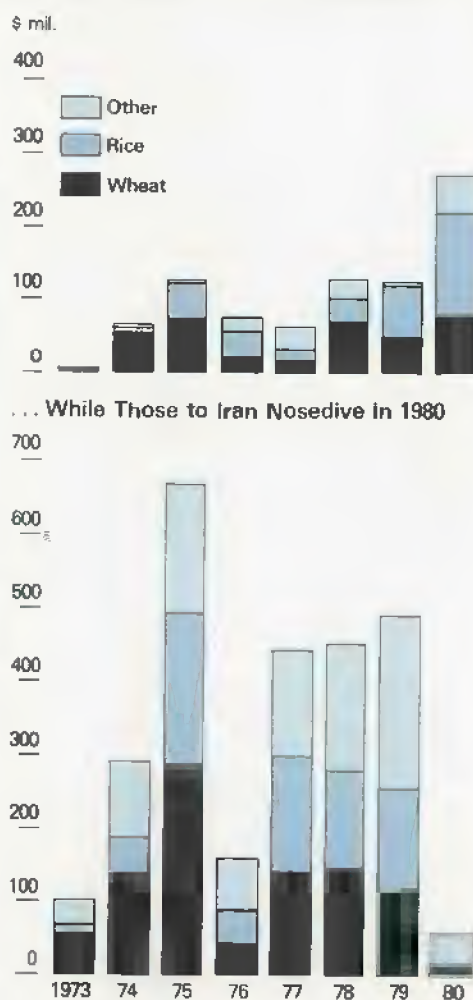
No Food Crisis Foreseen

The war should not badly disrupt the flow of imported food into Iraq. However, Iraq's heavy reliance on Australia for wheat, on Thailand for feed grains, and on Malaysia-Singapore for vegetable oils may change.

In 1980, Iraq's total agricultural production was probably about a third higher than last year. Wheat production is estimated at 1.3 million tons—up from 880,000 in 1979. Corn production now exceeds 100,000 tons—up marginally from 96,000 in 1979, but double the 1976 level.

Purchases of wheat from the United States, the EC, and Canada could be considerable in coming months, while those from Australia may be small. Iraq may increase its purchases of U.S. corn and barley in the coming year, since the usual flow of 150,000 tons of corn and 50,000 tons of sorghum from Thailand may be inhibited by the added cost of shipping through the Suez Canal. The United States, the EC, Spain, and Brazil may send more soybean and sunflower oil to Iraq, replacing the palm oil traditionally received from Malaysia and Singapore.

U.S. Farm Exports to Iraq Booming ...



Prior to the war, the United States had become Iraq's leading rice supplier. Part of the 310,000 tons delivered in fiscal 1980 moved to Iraq through Turkish ports. The United States is currently delivering frozen poultry to Iraq under a contract for about 40,000 tons. About 13,000 tons of U.S. frozen poultry valued at \$16 million was exported to Iraq in the first half of 1980.

Iraq's agricultural imports in the first half of 1980 totaled around \$1 billion—an annual rate of \$2 billion. Iraq's agricultural imports climbed from \$225 million in 1973 to \$1 billion in 1978 and about \$1.38 billion in 1979. This upward trend was facilitated by greater petroleum revenues, food subsidy programs to improve consumer diets, and changes in trade policy that paved the way for increased imports of cereals, livestock products, sugar, and oilseed products. Iraq now imports about half its food supply.

Market for U.S. Farm Products Shifted in 1970's

U.S. agricultural exports to Iraq—particularly of rice and wheat—have fluctuated widely in recent years, influenced by U.S. prices and Baghdad's policies. The United States typically has been a residual supplier of Iraq's grain imports. Programs to diversify the sources of supply caused Iraq to continue purchasing U.S. rice and wheat even when supplies from other sources were abundant and lower in price.

The U.S. share of Iraq's expanding agricultural imports increased from only 1.1 percent in 1972 to 16.2 percent in 1974, when the first surge in Iraq's petroleum revenues led to larger purchases of U.S. wheat and rice. The value of U.S. agricultural exports to Iraq leaped from only \$1.6 million in 1972 to \$114.8 million in 1974, and then declined in 1975 and 1976. Increased competition from the EC, Australia, Pakistan, Thailand, and Brazil caused the U.S. share of Iraq's total agricultural imports to remain below the 1974 level during 1975-79.

U.S. Exports to Iraq Increased in 1980

The U.S. share reached 18 percent in the first half of 1980, with exports to Iraq at \$180 million—triple the \$57 million recorded in the first half of 1979. The sharp jump in Iraq's total agricultural imports—from \$656 million in 1976 to about \$1.4 billion in 1979—contributed to a rebound in U.S. sales of certain items—particularly rice, barley, and poultry meat.

U.S. farm exports to Iraq reached \$260 million in the first 11 months of fiscal 1980 (October-August)—142 percent above the \$107 million shipped during this period in fiscal 1979. In this same period of fiscal 1980, Iraq emerged as the second largest export market for U.S. rice and barley.

U.S. rice exports to Iraq in the first 11 months of fiscal 1980 rose 77 percent from 1979 to 297,000 tons valued at \$137 million. The United States provided over 70 percent of Iraq's rice imports during early 1980—up from 51 percent in 1979 and only 4.4 percent in 1976. Although South Korea was the leading export market for U.S. rice this year, taking mostly California rice, Iraq was the leading customer for rice exports from the Southern States. U.S. barley exports to Iraq reached 178,000 tons valued at \$22 million.

The U.S. share of Iraq's wheat imports has not fared so well. The United States provided about 46 percent of the 1.5 million tons of wheat imported by Iraq in 1978, but a strong shift to Australia occurred in 1979 and early 1980. In the first 11 months of fiscal 1980, U.S. exports of wheat to Iraq reached 400,000 tons. Although this was 45 percent above the previous period, it represented only about one-fifth of Iraq's total 1979/80 wheat imports, while Australia's share was over 60 percent.

After a 2-year lull, Iraq again became a market for U.S. frozen poultry in early 1980. Brazilian deliveries of poultry meat to Iraq reached 25,000 tons in 1979 and were projected to increase in 1980. However, larger purchases by Iran led to a cutback in Brazilian deliveries to Iraq in the summer of 1980, causing Iraq to turn to the United States for more of its poultry supply. Iraq's total imports of frozen poultry in 1980 are expected to exceed 60,000 tons.

In the past, Iraq was a significant market for U.S. soybean meal, tallow, and tobacco. However, a shift to Brazilian soybean meal caused the United States to lose this market, which had reached 30,000 tons in 1977. In recent years, Australia, the EC, and Sweden became the leading suppliers of Iraq's tallow. India and Bulgaria provided most of Iraq's tobacco imports in the late 1970's. Nevertheless, Iraq is likely to become a new market for a number of U.S. farm products in the future as it modernizes its food distribution system. [Michael E. Kurtzig and John B. Parker (202) 447-8054].



Enlarging the European Community

Implications for the EC's Cotton Trade

By Thom. V. Truong
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Greece, Portugal, and Spain have applied for membership in the European Community (EC), and Greece is expected to become a full member on January 1, 1981. Portugal and Spain may gain full membership by the beginning of 1983. The national policies of the new member countries will have to be adjusted to conform with the EC's Common Agricultural Policy (CAP).

U.S. exports of raw cotton to the EC-9 declined from an annual average of 428,000 bales in 1969-73 to an average of 295,000 bales in 1974-78, dropping the EC's share of total U.S. exports of raw cotton from 9.8 to 8.2 percent. The main causes were intense competition for the EC-9 market, higher prices for U.S. cotton than for competitors' cotton (because of higher U.S. freight costs), and a longer delivery time for U.S. cotton.

The accession of Greece, Portugal, and Spain to the EC may ultimately affect the EC's consumption and production of cotton lint and therefore affect U.S. exports to the expanded preferential trading area.

Changes are likely to include alignment of Greek, Portuguese, and Spanish support prices and customs duties on cotton with any new EC policy, the new members' adherence to a multifiber arrangement, and the abrogation of tariff barriers and certain institutional arrangements that regulate Greek, Portuguese, Spanish, and present EC-9 countries' cotton trade with other countries.

The EC-9's CAP does not cover cotton lint. However, amendments may be made to accommodate the interests of the new member cotton producers. The agreement reached between the EC-9 and Greece sheds light on the regulations that the enlarged EC would likely impose on raw cotton trade both inside the Community and between the EC and other countries.

Cotton Agreement With Greece

During 1975-78, the EC-9 produced only about 0.1 percent of the raw cotton it needed. Italy, where annual production has stagnated at 3,000 bales, is the only cotton producer in the Community. But if Greece, Portugal, and Spain join, the expanded region's degree of self-sufficiency in cotton would increase to slightly over 16 percent. Although Portugal does not produce cotton, Greece and Spain produce significant amounts.

Selected Characteristics of Cotton Production in Greece and Spain, 1977, 1978, and 1979

Item	Greece			Spain		
	1977	1978	1979	1977	1978	1979
Total area planted (1,000 hectares) ¹	183	168	143	66	45	50
Yield (kg per hectare) ¹	835	911	913	715	609	653
Production (thousand 480 lb. bales) ²	702	703	600	217	126	150
Irrigated area as % of total planted area ²	N.A.	96.4	97.2	94.9	N.A.	³ 98.0
Mechanically picked cotton as % of total production ³	25.7	30.0	58.0	N.A.	N.A.	25.0
Short-run area response elasticity with respect to price ⁴		0.20			0.20	
Long-run area response elasticity with respect to price ⁴		1.60			1.60	

¹ Source: *Foreign Agriculture Circular-World Cotton Statistics, 1947-79* (USDA, FAS, November 1979).

² Source: Various U.S. Agricultural Attache reports from Athens and Madrid. ³ Estimated by the author from descriptive accounts in U.S. Agricultural Attache reports from Madrid. ⁴ Elasticity coefficients estimated from historical data which combines area planted in Greece and Spain, and evaluated at the mean. Source: Keith J. Collins, Robert E. Evans and Robert D. Barry, *World Cotton Production and Use: Projections for 1985 and 1990* (USDA, ESCS, FAS, June 1979).

N.A. = Not Available.

At the beginning of negotiations between the EC-9 and Greece, the positions of the two parties on raw cotton trade were quite different. The EC's negotiating position was that foreign cotton should enter the Community duty-free. An import duty on cotton would penalize the EC's textile industry by raising the cost of its main raw material and lessening its ability to compete with foreign textile industries.

As a net exporter of cotton, Greece insisted on cotton's being classified as an agricultural product, and on the implementation of "the principle of absolute preference" for EC products. That is, the Greeks wanted a CAP for cotton, with price supports, export subsidies, and trade protection.

Results of the negotiations indicate that a full-fledged CAP for cotton will probably not be instituted within the enlarged EC. However, a system of limited price support through direct payments to farmers will be granted to Greek and Italian producers and, presumably, to Spanish producers later on.

Production

The price support system is not likely to affect production in Italy, since cotton acreage there is limited by climate to Sicily and so cannot be expanded much. The EC program has, however, affected Greek policy on cotton production and appears to have influenced policy in Spain. Even with increased production, Greece and Spain are only likely to become more self-sufficient in cotton, rather than net exporters (in which case, present Greek net exports will decrease). The objective of the Greek and Spanish Governments seems to be to export cotton textiles, rather than cotton lint, into the enlarged EC.

Several factors are likely to limit increased cotton output in Greece and Spain. Yields are already high in both countries, and there is little room to expand the irrigated area, a big factor in recent yield increases. In general, Greece and Spain have very limited usable crop area, and there are a number of profitable alternative crops. An effort to be more price-competitive with other suppliers through greater mechanization has resulted in labor unrest.

Consumption

The eventual volume of the enlarged EC's cotton imports will be determined by the EC's enlarged textile production and by the price competitiveness of cotton lint versus manmade fibers. Barring price changes due to the introduction of a CAP for cotton, variations in the relative price of cotton and manmade fibers are mainly caused by technological factors, which will not be affected by the EC's enlargement process.

Non-member countries' textile exports to the EC-9 are subject to the Multifiber Arrangement (MFA) regulations. Under the first MFA (1974-77), EC-9 textile imports from non-member countries grew at an annual average of 22 percent. Under the second MFA (1978-81), the EC-9 will attempt to hold growth of these imports to 6 percent per year.

The more stringent restrictions aim to provide greater protection to the region's textile industry. Behind greater trade barriers, and with population and incomes growing, it appears that EC-9 textile production, including that of cotton textiles, will begin to recover from its recent stagnation. The magnitude of the recovery, however will depend on how much the Greek, Portuguese, and Spanish textile industries are able to compete in the enlarged EC.

Under the second MFA, the applicant countries' textile exports to the EC-9 are subject to quantitative limitations. With EC membership, the applicant countries would receive full preferential treatment. Their exports of cotton textile products to other members would increase, since labor in the textile industries of all three countries is significantly cheaper than in the EC-9. Textile production in the applicant countries is also being significantly enhanced by greater private and public investments to upgrade equipment and raise productivity.

Tariff Barriers and Institutional Arrangements

Greece assesses an ad valorem tax of 2 percent and a documentary stamp tax of 3.5 percent on the cost, insurance, freight (c.i.f.) and import duty value of imported raw cotton. There is no import duty on raw cotton in Portugal, but there is a port fee equal to approximately 0.7 U.S. cent per pound applied to all imports. In Spain, imported raw cotton is subject to a duty of 13 percent of the c.i.f. value and to an 8-percent compensatory tax levied on 113 percent of the c.i.f. value.

Cotton Imports, Production, Consumption and Degree of Self-Sufficiency in EC-9, Greece, Portugal, Spain and Enlarged EC¹, 1975-78 Average

Country of Origin	EC-9		Greece		Portugal		Spain		Enlarged EC	
	Quantity Imported ²	Percentage of Total Imports	Quantity Imported ²	Percentage of Total Imports	Quantity Imported ²	Percentage of Total Imports	Quantity Imported ²	Percentage of Total Imports	Quantity Imported ²	Percentage of Total Imports
Colombia . . .	159.0	4.5	0.0	0.0	4.0	0.8	18.0	5.2	181.0	4.1
Egypt	105.0	2.9	18.0	31.6	5.0	1.0	18.0	5.2	146.0	3.3
Greece	23.0	0.6	0.0	0.0	10.0	2.1	6.0	1.7	39.0	0.9
Guatemala . .	94.0	2.6	0.0	0.0	13.0	2.7	16.0	4.6	123.0	2.8
Iran	74.0	2.1	0.0	0.0	0.0	0.0	0.0	0.0	74.0	1.7
Israel	40.0	1.1	13.1	23.0	51.0	10.6	7.0	2.0	111.0	2.5
Mexico	74.0	2.1	0.0	0.0	4.0	0.8	3.0	0.9	81.0	1.8
Nicaragua . . .	33.0	0.9	0.0	0.0	4.0	0.8	10.0	2.9	47.0	1.1
Peru	48.0	1.3	0.0	0.0	2.0	0.4	0.0	0.0	50.0	1.1
Spain	1.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0
Sudan	63.0	1.8	0.0	0.0	13.0	2.7	8.0	2.3	84.0	1.9
Turkey	390.0	10.9	1.0	1.7	124.0	25.8	59.0	17.1	574.0	12.9
United States .	370.0	10.4	25.0	43.9	61.0	12.7	62.0	18.0	518.0	11.7
USSR	858.0	24.1	0.0	0.0	19.0	4.0	13.0	3.8	890.0	20.1
Others	1,235.0	34.6	N.A.	N.A.	171.0	35.6	125.0	36.2	1,518.0	34.2
Total Imports .	3,567.0	100.0	54.0	100.0	481.0	100.0	345.0	100.0	4,437.0	100.0
Production³ .	3.0	—	636.0	—	0.0	—	179.0	—	818.0	—
Consumption² .	3,426.0	—	580.0	—	492.0	—	539.0	—	5,036.0	—
Degree of self-sufficiency³ .	0.1	—	109.7	—	0.0	—	33.2	—	16.2	—

¹ Includes EC 9, Greece, Portugal and Spain. Discrepancies between imports plus production and consumption are traceable to stock pilings or reporting errors.
² Expressed in thousand bales of 480 lb. and are 1975-78 averages. Production figure for EC-9 is equal to that of Italy. ³ Defined as the ratio of production to domestic consumption and expressed in percentages. N.A. = Not Available.

Sources: *Foreign Agriculture Circular-World Cotton Statistics, 1947-79* (USDA, FAS, November 1979), and *Foreign Agriculture Circular-Cotton* (USDA, FAS, January 1980).

In the EC-9, imports of cotton lint are duty-free. The position adopted by the EC-9 during its negotiations with Greece indicates that cotton's duty-free status will be preserved when Greece, Portugal, and Spain join. If so, enlargement of the EC would lead to removal of the tariff barriers to cotton trade in Greece, Portugal, and Spain.

Clearing-account arrangements would also be eliminated, since they are in violation of the Treaty of Rome. The 1976 Greek-Egyptian Trade Agreement provides for the importation of Egyptian cotton under a clearing account, and a significant proportion of Greece's cotton exports to Eastern European countries are under bilateral clearing account arrangements.

Once Portugal is an EC member, the rationale for U.S. cotton sales under P.L. 480 Title I would vanish, since the burden of financing Portugal's development would presumably be shifted to the EC. In the enlarged EC, U.S. cotton sales with CCC credits to Portugal and Spain can be viewed as an unfair trading practice by Greek, Italian, and Spanish cotton producers.

Impacts on U.S. Cotton Exports

The abolition of duties on imported cotton in Greece, Portugal, and Spain would, in the short run, render cotton from other countries more price competitive and expand imports from non-member countries into the enlarged EC.

However, the increase in imports may be mitigated by the cotton production subsidy that the EC is likely to adopt and that has already induced the Governments of Greece and Spain to launch programs to increase cotton production. Furthermore, removal of clearing account arrangements between Greece and various Eastern European countries may redirect Greek cotton into the EC and reduce EC cotton imports from third countries. Discontinuation of U.S. cotton sales under P.L. 480 or CCC credit would likely dampen U.S. exports to Portugal and Spain.

In the long run, assuming that protection of the EC textile industry remains unchanged, EC textile production and lint consumption will increase. Given higher consumption, how much cotton the enlarged EC imports from non-member countries will depend on increases in cotton production in Greece and Spain.

Even though Greece and Spain are likely to become more self-sufficient in cotton, total EC cotton imports from third countries are expected to increase because of rising demand for textiles. The United States should have a significant share of the EC cotton market as in the past.



Agricultural Policy

Since late June, the Congress has passed several pieces of legislation directly affecting the agricultural sector. Among these are:

- Energy Security Act of 1980 (June).
- Motor Carrier Act of 1980 (July).
- Hay Transportation Assistance Program Adjustments (August).
- New Rural Development Policy Act (September).
- Agricultural Subterminal Facilities Act of 1980 (September).
- National Aquaculture Act of 1980 (September).
- Federal Crop Insurance Act of 1980 (September).
- United States Grain Standards Act (October).

The major thrust of the Energy Security Act of 1980 is to achieve reduced dependence on foreign oil. The act establishes a U.S. synthetic Fuels Corporation to promote the production of synthetic fuels by private industry. The Corporation's goal is to produce the equivalent of at least 500,000 barrels of crude oil a day by 1987, increasing to 2 million barrels a day by 1992.

Through the Departments of Energy and Agriculture, the act also authorizes subsidies to encourage the production of fuels, such as alcohol and methane, from agricultural crops or residue and from urban waste. The act establishes a production goal of at least 60,000 barrels of alcohol a day by the end of 1982. By 1990, the goal is to achieve alcohol fuel production equal to at least 10 percent of domestic gasoline consumption.

The Motor Carrier Act of 1980 updates the statutes governing Federal regulation of the motor carrier industry to better reflect the transportation needs of the 1980's. Existing legislation had tended to inhibit market entry, carrier growth, maximum utilization of equipment and energy resources, and opportunities for minorities and others to enter the trucking industry.

The Hay Transportation Assistance Program Adjustments directs the Secretary of Agriculture to adjust or cancel certain claims that arose in the administration of the Hay Transportation Assistance Program.

During the summer of 1976, drought caused many livestock feed sources to literally dry up. Consequently, the Federal government provided livestock farmers assistance in transporting feed from areas where supplies were plentiful. When the program expired, it was learned that farmers who had transported beet pulp pellets (a type of feed) in their own vehicles had been paid more than the maximum 80 percent of cost, mainly because of the condensed nature of the roughage.

The Department of Agriculture sought to recover the overpayments. Some producers had repaid the Federal Government, but other producers had claims against them that were still outstanding in August 1980. The adjustments legislation allows payments to stand as made based on the published flat rate that was in effect at the time of payment, and overpayments will be reimbursed.

The New Rural Development Policy Act is designed to improve coordination and efficiency of government rural development efforts. Under this act, the Secretary of Agriculture coordinates all Federal Departments and agencies in a nationwide rural development program to improve housing, energy utilization, health services, and job opportunities. Also, the act raises by \$5 million the annual ceilings placed by Congress on rural development planning grants to local governments. Finally, the new public law creates the position of Under Secretary for Small Community and Rural Development within the Department of Agriculture.

The Agricultural Subterminal Facilities Act of 1980 authorizes up to \$3.3 million for each fiscal year, 1981 to 1983, in Government loans for the construction and improvement of subterminal storage and transportation facilities for bulk agricultural commodities.

The National Aquaculture Act of 1980 directs the Government to develop a national program promoting commercial production of fish and shellfish.

The United States Grain Standards Act was signed into law on October 13. This bill eliminates mandatory federal weighing of grain moved into export elevators by rail or truck, grain shipped from export elevators to internal U.S. points, and any grain reaching such an elevator as an intra-company transaction.

Intra-company shipments are said to constitute up to 70 percent of the volume of some export elevators. The costs of weighing such inbound, intra-company shipments are said to far exceed any benefits. The new law is basically designed to cut grain marketing costs without foregoing the protection given buyers and sellers in the original law.

Federal Crop Insurance Update

The September issue of *Agricultural Outlook* presented information on the Federal Crop Insurance Act of 1980 prior to its final passage. Provisions retained in the final version of the bill are slightly different.

The major difference arises out of the conferees' decision to retain the subsidized interest portions of the Farmers Home Administration (FmHA) and the Small Business Administration (SBA) loan programs. The original Administration-backed proposal was to consolidate these two programs with the Federal Crop Insurance Act programs.

The main features of the House and Senate bills adopted by the conference committee and signed into law are as follows:

- The new crop insurance program will be phased in during the 1981 crop year.
- In administering the Federal Crop Insurance Act, the FCIC Board may:
 - 1) establish or use committees or associations of producers, 2) contract with private insurance companies, and/or 3) encourage sales through agents and brokers.
- Federal crop insurance protection against yield losses must provide producers coverage for 50, 65, or 75 percent of the normal average yield for the farm on the commodity insured.
- One of the reimbursement options offered must be 90 percent of the projected market price for the commodity in the new crop year.
- A subsidy of 30 percent will be provided toward each participating producer's premium, for coverage not to exceed 65 percent of normal crop yield.
- 1981 crop wheat, feed grains, upland cotton, or rice will not be eligible to receive a premium subsidy from the FCIC if the producer elects to make acreage eligible for disaster payments under the Agricultural Act of 1949. Any producer who makes acreage eligible for disaster payments may purchase Federal crop insurance for the commodity at the full premium cost.
- Producers can opt to delete hail and fire coverage from their crop insurance plan, thereby reducing their premium.
- States and State agencies can provide additional premium subsidies to further reduce the cost of insurance.
- Reinsurance will be provided to the maximum extent feasible to private insurance companies licensed by the FCIC and State and local government entities.

Administration Actions

- On July 22, a new financing program for weatherizing homes and other facilities served by rural electric cooperatives was announced. This new program is part of the Administration's continuing effort to conserve energy resources.
- On July 30, the 1980 Tobacco Loan Program was announced. Support prices for eligible kinds of tobacco will be increased 9.4 percent from 1979 levels.
- On August 15, the 1981 Wheat Program was announced. For the second straight year, wheat producers will not need to set aside acreage to be eligible for the farmer-owned reserve, commodity loans, and target price protection. The farmer-owned reserve release and call prices for the 1981 crop will be increased from \$4.20 and \$5.25, respectively, to keep them consistent with the cost of producing wheat. The target price will be increased from \$3.63 to at least \$3.81, with the final amount dependent on the magnitude of the increase in short-run production costs. The loan price will be at least \$3.00.
- On September 9, the Administration announced that the beekeeper indemnity payment program would be terminated October 9 because of its limited scope and relative ineffectiveness.

Unresolved Legislation

Congress left many important agricultural bills unresolved when it adjourned for the election period. The following examines the main pieces of legislation and issues that Congress may deal with when it reconvenes in November.

Olive and Walnut Marketing Act. One of the most important bills left for action is H.R. 3765, originally passed by the House as an olive and walnut marketing bill. Many other farm program provisions were attached when the bill was considered by the Senate. These added provisions would: (1) set basic loan rates for 1981 at not less than \$3 a bushel for wheat and \$2.25 for corn; (2) increase loan rates for 1980 and 1981 crop grains that producers deposit in the farmer-owned reserve to not less than \$3.30 per bushel for wheat and \$2.40 for corn, and waive interest rates for those loans; (3) earmark 4 million tons of wheat currently owned by the Government as a special international food reserve for use only in meeting emergency needs abroad when other U.S. aid stocks are low; and (4) set the 1981 soybean support loan at not less than \$5.02 a bushel. Most of these

provisions had prior approval by the House Agriculture Committee, first as separate bills and then as part of H.R. 7664, the Child Nutrition Act.

Child Nutrition Act. Although the farm provision aspects of this bill have been approved, the bill is still in conference, where House and Senate negotiators have yet to agree on cuts in the various nutrition programs. The Senate has argued for a permanent cut of \$603 million, while the House wants a one-year cut of \$540 million. Another Senate amendment to the bill proposes changes in migrant farm labor laws.

The original bill would extend all temporarily authorized child nutrition programs and contains provisions to improve the effectiveness and operation of the programs. Covered in the legislation are the School Lunch, School Breakfast, Summer Food Service for children, and Special Milk programs, as well as the Special Supplemental Food or WIC program, which provides nutritional aid to low-income pregnant, postpartum, and nursing mothers and to infants and children who are found to be at nutritional risk.

Upcoming Decisions

The Department of Agriculture will be making a number of commodity program decisions in the near future. By November 15, USDA must decide for the 1981 crop of feed grains and soybeans whether to offer a set-aside program, the amount of the national program acreage, and any recommended reductions in plantings. If a set-aside is mandated, farmers must participate in order to be eligible for program benefits and to place 1981 grain in the farmer-owned reserve. The loan and purchase prices for corn, sorghum, rye, and barley and oats (if they are included in the program) will be decided later.

The decisions on any diversion program and the level of target prices will be determined after more information is available on prospective plantings, markets, and short-run costs of production for 1981. The loan price and purchase levels for the 1981 crop of soybeans will also be determined later.

Major decisions on the 1981 cotton programs must be made before January 1. The loan rate for 1981 upland cotton was announced on October 31. The 1981 rate will be 52.46 cents per pound for the basic grade (SLM 1-16"), an increase of 4.46 cents over the 1980 rate. The national program acreage and the voluntary reduction percentage must be announced by December 15. USDA also will have to decide whether a set-aside or diversion program should be set up and the appropriate level of the target price for 1981 upland cotton, but these decisions have no statutory deadline for announcement. USDA will accept comment until December 2 on the provisions of this program.

Provisions of the Extra Long Staple (ELS) cotton program must be determined soon. The national marketing quota and the national acreage allotment for the 1981 crop were announced on October 14. The national marketing quota will be 195,000 bales, and the national acreage allotment will be 150,241 acres. However, by December 15, USDA must conduct a referendum in which two-thirds of the voting ELS producers must approve the quota before it can take effect. In 1980, farmers planted only 83,000 acres of ELS cotton, well below the national allotment of 131,652 acres. If the quotas are approved, farmers in compliance with the program will be eligible for loans on their crops. In addition, on October 31, the loan rate for 1981 crop ELS cotton was set at 99 cents per pound, 5.5 cents greater than the 1980 rate.

USDA also has to determine, for the 1981 peanut program, what the national acreage allotment, the national poundage quota, and the date or period of referendum should be.

The national acreage allotment must be announced by December 1 and it must encompass at least 1,614,000 acres. The national poundage quota must also be announced by December 1, and it must be at least 2.880 million pounds. The poundage quota will determine the amount of 1981 crop peanuts that will be eligible for loans at the domestic support rate for edible peanuts. A referendum must be held by December 15 to determine whether marketing quotas will be in effect for the 1981, 1982, and 1983 peanut crops. The actual loan rates will be determined later.

A decision on whether to authorize a price support program for the 1981 flaxseed crop will be made later this year. Currently, there is a purchase agreement program for flaxseed with a support price of \$4.50 a bushel. Once the agreement is signed, the CCC is committed to purchase the producer's flaxseed at the support price, although farmers are not required to sell their crops to the CCC. USDA will accept comments on the possible support program through December 8.

Later this year, USDA will determine the national marketing quota for the 1981 crop of flue-cured tobacco. The quota will be based on the estimated disappearance for the 1981 marketing year.

Changes recently have been proposed for the food stamp program to reduce fraud and error. Under one proposal, States could require applicants to provide proof of all shelter expenses, all child care expenses, and household size. This information would be obtained in addition to the eligibility information—including income, social security number, and certain medical and utility expenses—currently required of applicants for food stamps. States could also develop a profile of the types of food stamp cases and eligibility factors that are most subject to error; the States could then require verification of all information from applicants who fit the typical error profile.

The USDA has also proposed an incentive system to encourage States to reduce food stamp errors. Those States whose error rate exceeds the national average would be liable to pay a portion of the cost of those stamps. States below the national average in stamps issued in error or which reduce error rates by 25 percent would be rewarded by having an increased share of their administrative costs paid by USDA. This program could take effect by next summer. (B. Edmondson, R. Rizzi, S. Short. (202) 447-6620.)



Recent Publications

USDA's Economics and Statistics Service publishes a number of research reports, statistical supplements, handbooks, and other periodicals that may be of interest to you as an *Agricultural Outlook* reader. To order reports listed below, write directly to ESS Publications, Room 0054-South, U.S. Department of Agriculture, Washington, D.C. 20250. Be sure to list the publication number and provide your zipcode.

- U.S. Foreign Agricultural Trade Statistical Report, Fiscal Year 1979: A Supplement to the Monthly Foreign Agricultural Trade of the United States.
- Commuting and Migration Status in Non-metro Areas. AER/Vol. 32, No. 3.
- Burley Tobacco Farming Characteristics and Potential for Change. AER 460.
- The Farm Pesticide Industry. AER 461.
- Domestic Food Programs: An Overview. ESCS 81.
- Federal Outlays in Fiscal 1978: A Comparison of Metropolitan and Nonmetropolitan Areas. RDRR 25.
- Indices of Agricultural and Food Production for Europe and the U.S.S.R.: Average 1961-65 and Annual 1970 Through 1979. SB 635.
- Indices of Agricultural Production for Asia and Oceania, Average 1961-65 and Annual 1970-79. SB 636.
- Western Energy: The Interregional Coal Analysis Model. TB 1627.

A black and white photograph showing a group of people seated in a row, possibly in a classroom or lecture hall. They are all looking towards the right side of the frame. The image is somewhat blurry and has a high-contrast, grainy quality, with some areas appearing overexposed. The people are dressed in casual to semi-formal attire. The person in the foreground on the left is partially cut off by the frame. The background is dark and indistinct.

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Statistical Indicators

Summary Data

Key Statistical Indicators of the Food and Fiber Sector

	1979				1980				
	II	III	IV	Annual		II	III p	IV f	Annual f
Prices received by farmers (1967=100)	245	241	238	241	236	228	255	263	246
Livestock and products (1967=100)	265	248	251	257	251	234	259	268	253
Crops (1967=100)	222	233	224	223	220	222	250	259	238
Prices paid by farmers,									
prod. items (1967=100)	247	253	258	250	271	276	283	289	280
Prod. items, int., taxes, and wages	259	263	268	260	284	286	294	299	291
Farm income ¹									
Cash receipts (\$ bil.)	130.9	130.6	135.4	131.5	136	135	143	144-148	138-142
Livestock (\$ bil.)	68.2	66.9	69.7	68.6	69	63	71	71-73	68-70
Crops (\$bil.)	62.7	63.7	65.7	62.8	67	71	72	74-76	70-72
Total gross farm income (\$ bil.) ²	149.1	149.9	154.1	149.6	162	162	155	158-162	151-157
Production expenses (\$ bil.)	116.3	119.6	124.2	118.6	127	130	133	133-137	128-134
Net farm income (\$ bil.)	32.8	30.3	29.9	31.0	25	23	23	22-24	23-25
Net cash income (\$ bil.) ³	37.7	33.7	35.0	35.8	33	30	36	37-39	32-35
Market basket									
Retail cost (1967=100)	223.8	224.3	225.3	222.7	229.8	233.7	242.7	251	238-240
Farm value (1967=100)	234.0	223.7	225.5	228.2	226.0	226.9	253.8	258	240-242
Spread (1967=100)	217.7	224.7	225.2	219.5	232.0	237.7	236.2	246	237-239
Farm value/retail cost (%)	39	37	37	38	36	36	39	38	37-38
Retail prices									
Food (1967=100)	234.0	236.8	239.7	234.5	245.3	250.5	258.2	266	254-256
At home (1967=100)	233.1	234.7	236.7	232.9	241.8	246.6	255.6	263	251-253
Away-from home (1967=100)	240.7	246.3	251.4	242.9	258.4	264.7	259.6	277	266-268
Agricultural exports (\$ bil.) ⁴	7.9	8.2	11.0	32.0	10.3	9.7	9.5	12.0	40.5
Agricultural imports (\$ bil.) ⁴	4.4	3.9	4.4	16.2	4.5	4.3	4.0	4.4	17.2
Livestock and products									
Total livestock and products (1974=100)	106.7	107.5	109.0	106.3	106.6	112.0	108.7	109.0	109.1
Beef (mil. lb.)	5,076	5,222	5,416	21,261	5,244	5,250	5,383	5,500	21,377
Pork (mil. lb.)	3,754	3,775	4,346	15,270	4,124	4,300	3,757	4,125	16,306
Veal (mil. lb.)	98	99	100	410	91	89	95	90	365
Lamb and mutton (mil. lb.)	71	69	73	284	80	77	72	70	299
Red meats (mil. lb.)	8,999	9,165	9,935	37,225	9,539	9,716	9,307	9,785	38,347
Broilers (mil. lb.)	2,844	2,855	2,665	10,915	2,722	2,923	2,759	2,670	11,074
Turkeys (mil. lb.)	465	720	725	2,182	374	523	705	720	2,322
Total meats and poultry (mil. lb.)	12,308	12,740	13,325	50,322	12,635	13,162	12,767	13,175	51,739
Eggs (mil. dz.)	1,434	1,436	1,477	5,769	1,464	1,421	1,426	1,460	5,771
Milk (bil. lb.)	32.8	31.2	29.8	123.6	31.0	34.0	32.2	30.5	127.7
Choice steers, Omaha (\$/cwt.)	72.51	65.88	67.18	67.75	66.85	64.65	70.82	69.71	67.69
Barrows and gilts, 7 markets (\$/cwt.)	43.04	38.52	36.39	42.06	36.31	31.18	46.23	45.47	39.41
Broilers, 9-city wholesale (cts./lb.)	47.7	40.8	41.7	44.4	43.0	41.1	53.3	48.50	46.48
Turkeys, N.Y., wholesale (cts./lb.)	66.2	63.1	73.0	68.1	59.0	54.3	68.3	78.80	64.66
Eggs, Gr. A large, N.Y. (cts./dz.)	66.1	65.2	69.4	68.2	62.1	57.0	70.3	71-73	64-66
Milk, all at farm (\$/cwt.)	11.53	11.97	12.77	12.00	12.77	12.60	12.87	13.70-13.90	12.95-13.05

¹ Quarterly cash receipts and expenses are seasonally adjusted at annual rates. ² Includes net change in farm inventories. ³ Excludes inventory adjustment and noncash income and expenses. Represents cash available for capital expenditures and operator income. ⁴ Annual data are based on Oct.-Sept. fiscal years ending with the indicated year. f = forecast. p = Preliminary.

Farm Income

Gross and net farm income

	Annual									
	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979 p
	\$ Bil.									
Cash receipts from farm marketings . . .	50.5	52.9	61.2	87.1	92.4	88.2	94.8	95.8	112.5	131.5
Livestock and Products	29.6	30.6	35.7	45.9	41.4	43.1	48.1	47.4	59.0	68.6
Meat animals	18.5	19.5	24.0	30.4	25.2	25.8	27.0	27.8	37.5	44.2
Dairy products	6.5	6.8	7.1	8.1	9.4	9.9	11.4	11.8	12.7	14.8
Poultry and eggs	4.2	4.0	4.2	6.9	6.3	6.8	7.2	7.2	8.1	8.9
Other	0.3	0.3	0.4	0.5	0.5	0.5	0.6	0.6	0.7	0.8
Crops	21.0	22.3	25.5	41.1	51.1	45.2	48.7	48.3	53.5	62.8
Food grains	2.5	2.5	3.5	7.2	8.5	7.8	6.9	6.0	5.9	8.6
Feed crops	5.1	5.5	5.9	10.6	14.0	12.2	13.1	11.9	11.3	14.4
Cotton (lint and seed)	1.3	1.5	1.8	2.8	2.9	2.3	3.5	3.5	3.5	4.0
Tobacco	1.4	1.3	1.4	1.6	2.1	2.2	2.3	2.3	2.6	2.3
Oil-bearing crops	3.6	3.8	4.4	7.6	10.0	7.3	9.4	9.8	13.2	14.6
Vegetables and melons	2.8	3.0	3.3	4.4	5.3	5.4	5.2	5.7	6.0	6.5
Fruits and tree nuts	2.1	2.3	2.6	3.4	3.4	3.5	3.6	4.3	5.5	6.4
Other	2.2	2.3	2.5	3.6	4.9	4.6	4.6	4.8	5.5	6.0
Net change in farm inventories	(³)	1.4	0.9	3.4	-1.6	3.4	-2.4	.6	.4	4.1
Nonmoney and other farm income ¹ . . .	8.0	7.7	8.9	8.4	7.5	8.7	9.4	11.8	13.9	14.1
Gross farm income	58.6	62.0	71.0	98.9	98.3	100.3	101.8	108.1	126.9	149.6
Farm production expenses	44.4	47.4	52.3	65.6	72.2	75.9	83.1	90.3	100.8	118.6
Net farm income										
Current prices	14.2	14.6	18.7	33.3	26.1	24.5	18.7	17.8	26.1	31.0
1967 prices ²	12.2	12.1	14.9	25.1	17.7	15.2	11.0	9.8	13.3	14.2

¹ Includes government payments to farmers, value of farm products consumed in farm households, rental value of farm dwellings, and income from recreations, machine hire, and custom work. ² Deflated by the consumer price index for all items, 1967=100. ³ Less than \$.05 bil. Totals may not add due to rounding. p. Preliminary.

Cash receipts from farming

	1979					1980							
	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug
	\$ Mil.												
Farm marketings and CCC loans ¹ . . .	9,862	11,519	15,896	14,083	11,669	11,971	9,946	9,785	9,455	9,383	10,633	11,002	11,420
Livestock and Products	5,404	5,662	6,431	5,997	5,525	5,769	5,568	5,577	5,522	5,468	5,371	5,671	5,796
Meat animals	3,370	3,633	4,420	3,855	3,405	3,761	3,636	3,496	3,302	3,263	3,232	3,336	3,614
Dairy products	1,238	1,215	1,251	1,214	1,289	1,294	1,236	1,374	1,379	1,466	1,366	1,374	1,369
Poultry and eggs	721	735	684	861	766	664	650	645	769	665	693	887	738
Other	75	79	76	67	65	50	46	62	72	74	80	74	75
Crops	4,458	5,857	9,465	8,086	6,144	6,202	4,378	4,208	3,933	3,915	5,262	5,331	5,624
Food grains	997	1,110	1,152	763	633	655	492	466	456	498	1,256	1,377	1,141
Feed crops	695	948	1,822	2,108	1,537	1,957	1,245	1,136	1,139	1,132	1,384	1,319	1,170
Cotton (lint and seed)	147	231	656	871	902	674	362	247	146	139	138	86	251
Tobacco	527	458	230	279	202	270	26	6	2	1	0	82	457
Oil-bearing crops	612	1,149	3,557	1,882	1,116	1,542	1,216	997	663	641	855	820	781
Vegetables and melons	662	825	799	484	392	317	266	394	444	598	643	648	716
Fruits and tree nuts	460	646	730	823	677	373	379	466	495	433	659	604	746
Other	358	490	519	876	685	414	392	496	588	473	327	395	362
Government payments	78	102	122	86	80	55	41	25	113	54	30	27	53
Total cash receipts ²	9,940	11,621	16,018	14,169	11,749	12,026	9,987	9,810	9,568	9,437	10,663	11,029	11,473

¹ Receipts from loans represent value of loans minus value of redemptions during the month. ² Details may not add because of rounding.

Farm marketing indexes (physical volume)

	Annual			1979	1980					
	1977	1978	1979p	Aug	Mar	Apr	May	June	July	Aug
	1967=100									
All commodities	123	124	127	116	130	113	112	132	125	125
Livestock and products	112	112	110	112	109	116	117	112	111	108
Crop	139	140	151	121	159	108	106	160	144	147

Cash receipts¹ from farm marketings, by States, January-August

State	Livestock and Products		Crops ²		Total ²	
	1979	1980	1979	1980	1979	1980
SMil.						
NORTH ATLANTIC						
Maine	205.1	192.4	91.2	63.4	296.3	255.8
New Hampshire	44.9	46.5	16.1	16.9	61.0	63.3
Vermont	203.5	225.9	15.3	15.9	218.9	241.8
Massachusetts	76.9	82.0	74.4	67.1	151.3	149.1
Rhode Island	8.6	9.0	10.0	9.6	18.6	18.6
Connecticut	101.4	106.4	68.6	45.6	169.9	152.0
New York	1,021.1	1,103.9	360.0	414.6	1,381.1	1,518.4
New Jersey	75.9	79.4	181.6	185.3	257.6	264.6
Pennsylvania	1,195.3	1,229.7	445.2	480.6	1,640.5	1,710.3
NORTH CENTRAL						
Ohio	930.9	927.5	1,174.1	1,225.0	2,105.0	2,152.4
Indiana	1,084.1	1,050.7	1,248.2	1,338.6	2,332.2	2,389.3
Illinois	1,586.9	1,548.8	2,953.4	3,737.7	4,540.3	5,286.5
Michigan	760.9	805.8	709.4	830.9	1,470.3	1,636.8
Wisconsin	2,344.1	2,466.4	420.2	557.9	2,764.2	3,024.3
Minnesota	2,020.1	2,044.0	1,520.0	1,623.5	3,540.1	3,667.6
Iowa	3,858.5	3,782.3	2,547.8	3,017.4	6,406.3	6,799.7
Missouri	1,565.2	1,495.1	980.5	1,140.8	2,545.6	2,635.8
North Dakota	430.0	420.5	894.7	1,066.6	1,324.7	1,487.1
South Dakota	1,133.2	1,115.9	296.5	445.2	1,429.6	1,561.1
Nebraska	2,543.9	2,500.1	1,095.3	1,565.3	3,639.2	4,065.4
Kansas	2,346.7	2,228.0	1,258.9	1,643.6	3,605.6	3,871.7
SOUTHERN						
Delaware	154.3	143.7	45.5	46.2	199.8	189.9
Maryland	378.0	383.7	151.9	119.4	530.0	503.1
Virginia	489.1	505.3	231.0	226.8	720.1	732.1
West Virginia	97.4	106.6	34.5	32.9	131.8	139.5
North Carolina	940.3	925.4	925.3	844.1	1,865.6	1,769.4
South Carolina	250.3	234.2	391.1	376.3	641.3	610.5
Georgia	1,101.2	1,057.6	450.2	524.4	1,551.4	1,582.0
Florida	649.2	627.1	2,225.8	2,699.1	2,875.0	3,326.3
Kentucky	582.4	563.6	565.1	623.1	1,147.5	1,186.7
Tennessee	640.9	657.5	313.8	335.0	954.6	992.5
Alabama	872.0	838.6	255.3	306.0	1,127.3	1,144.7
Mississippi	598.7	567.1	348.1	450.5	946.8	1,017.6
Arkansas	1,009.4	966.0	492.5	681.1	1,501.9	1,647.1
Louisiana	353.4	400.7	301.7	362.0	655.1	762.7
Oklahoma	1,453.6	1,385.9	616.7	789.4	2,070.3	2,175.4
Texas	4,025.2	3,912.5	2,028.8	2,313.5	6,053.9	6,226.0
WESTERN						
Montana	186.0	179.0	345.8	391.7	531.8	570.7
Idaho	572.5	570.9	380.4	510.5	952.9	1,081.4
Wyoming	274.1	231.1	33.7	39.0	307.8	270.1
Colorado	1,699.7	1,708.2	349.3	443.8	2,049.0	2,152.0
New Mexico	445.7	430.0	106.7	112.8	552.4	542.8
Arizona	571.0	585.9	525.2	586.2	1,096.1	1,172.1
Utah	221.7	243.2	62.6	70.5	284.4	313.7
Nevada	75.9	73.3	29.0	36.3	104.9	109.7
Washington	523.3	533.5	936.5	1,045.2	1,459.8	1,678.7
Oregon	419.2	404.6	510.1	549.4	929.3	954.0
California	2,848.2	2,988.7	4,018.9	4,616.1	6,867.2	7,604.9
Alaska	2.8	2.9	3.6	3.6	6.3	6.5
Hawaii	51.8	53.7	227.0	227.0	278.8	280.7
UNITED STATES	45,024.4	44,741.1	33,267.3	38,853.3	78,291.8	83,594.4

¹ Estimates as of the first of current month. ² Sales of farm products include receipts from loans reported minus value of redemptions during the period. Rounded data may not add.

Farm Production¹

Item	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980 ²
1967=100										
Farm output	110	110	112	106	114	117	119	122	129	123
All livestock products ³	106	107	105	106	101	105	106	106	110	112
Meat animals	109	109	108	110	102	105	105	104	107	110
Dairy products	101	102	98	99	98	103	105	104	106	109
Poultry and eggs	106	109	106	106	103	110	112	118	127	128
All crops ⁴	112	113	119	110	121	121	129	131	144	129
Feed grains	116	112	115	93	114	120	126	135	145	119
Hay and forage	105	104	109	104	108	102	107	113	117	110
Food grains	107	102	114	120	142	141	132	125	143	156
Sugar crops	116	127	112	104	130	128	116	116	110	112
Cotton	145	187	175	158	112	142	191	145	200	156
Tobacco	86	88	88	101	110	108	98	102	79	91
Oil crops	121	131	155	127	153	132	175	182	219	167
Cropland used for crops	100	98	103	106	108	109	111	108	111	114
Crop production per acre	112	115	116	104	112	111	117	121	130	113

¹ For historical data and indexes, see *Changes in Farm Production and Efficiency* USDA Statistical Bulletin 628. ² Preliminary indexes for 1980 based on October 1980 Crop Production report and other releases of the *Crop Reporting Board*, ESCS. ³ Gross livestock production includes minor livestock products not included in the separate groups shown. It cannot be added to gross crop production to compute farm output. ⁴ Gross crop production includes some miscellaneous crops not in the separate groups shown. It cannot be added to gross livestock production to compute farm output.

Farm Prices: Received and Paid

Indexes of prices received and paid by farmers, U.S. average

	Annual			1979		1980				
	1977	1978	1979	Oct	May	June	July	Aug.	Sept	Oct p
1967=100										
Prices Received										
All farm products	183	210	241	236	227	232	247	256	261	262
All crops	192	203	223	224	223	226	242	250	259	260
Food grains	156	191	229	260	247	243	252	259	260	273
Feed grains and hay	181	184	207	213	219	225	243	256	263	269
Feed grains	174	181	204	208	209	219	239	262	259	263
Cotton	270	245	258	273	265	250	322	329	366	339
Tobacco	175	191	207	206	218	218	217	217	233	223
Oil-bearing crops	243	226	249	233	214	218	245	258	271	280
Fruit	163	224	240	231	215	233	209	196	212	223
Fresh market ¹	163	234	250	237	219	240	212	196	215	227
Commercial vegetables	176	185	194	178	204	194	182	189	196	192
Fresh market	197	208	215	191	231	216	197	208	219	212
Potatoes ²	194	202	178	171	195	216	314	351	318	241
Livestock and products	175	217	257	247	232	237	252	262	263	265
Meat animals	168	226	280	264	242	250	267	278	275	276
Dairy products	193	210	239	250	250	248	250	254	262	270
Poultry and eggs	174	185	192	169	161	166	195	207	217	213
Prices paid										
Commodities and services, interest, taxes, and wage rates	202	219	250	257	275	278	280	283	286	288
Production items	200	217	248	256	268	270	273	278	282	284
Feed	186	183	204	211	214	214	223	238	247	263
Feeder livestock	158	221	293	288	260	267	270	278	282	289
Interest payable per acre on farm real estate debt	339	400	501	501	627	627	627	627	627	627
Taxes on farm real estate	195	210	226	226	244	244	244	244	244	244
Wage rates (seasonally adjusted)	226	242	265	269	284	284	288	288	288	288
Production items, interest, taxes, and wage rates	208	227	261	267	285	287	290	294	297	299
Prices received (1910-14=100)	457	524	603	590	568	579	617	640	653	656
Prices paid, etc. (Parity Index) (1910-14=100)	687	746	849	874	936	944	952	962	972	979
Parity ratio ³	66	70	71	68	61	61	65	67	67	67

¹ Fresh market for noncitrus and fresh market and processing for citrus. ² Includes sweetpotatoes and dry edible beans. ³ Ratio of index of prices received to index of prices paid, taxes, and wage rates. P preliminary.

Prices received by farmers, U.S. average

	Annual*			1979	1980					
	1977	1978..	1979	Oct	May	June	July	Aug	Sept	Oct p
Crops										
All wheat (\$/bu.)	2.29	2.82	3.51	3.98	3.69	3.69	3.81	3.94	3.99	4.19
Rice, rough (\$/cwt.)	7.94	9.29	9.05	10.30	11.30	10.20	10.80	10.60	10.20	10.70
Corn (\$/bu.)	2.03	2.10	2.36	2.41	2.42	2.49	2.73	2.92	3.01	3.03
Sorghum (\$/cwt.)	3.11	3.43	3.91	3.90	4.04	4.58	5.02	5.12	5.12	5.35
All hay, baled (\$/ton)	57.10	49.90	56.50	60.80	70.60	64.60	66.50	68.20	70.50	74.60
Soybeans (\$/bu.)	6.82	6.28	6.86	6.35	5.76	5.91	6.75	7.18	7.59	7.82
Cotton, Upland (cts./lb.)	60.5	55.2	58.0	61.3	59.6	56.3	72.4	74.0	82.3	76.4
Potatoes (\$/cwt.)	3.78	3.87	3.16	3.14	3.54	3.92	6.49	7.65	6.83	4.62
Dry edible beans (\$/cwt.)	17.55	18.56	19.60	20.40	22.90	23.60	25.60	26.30	24.50	25.30
Apples for fresh use (cts./lb.)	12.0	16.1	14.3	13.4	16.9	21.0	23.7	22.6	17.9	14.5
Pears for fresh use (\$/ton)	145	301	297	240	449	450	278	254	244	237
Oranges, all uses (\$/box) ¹	2.78	4.67	4.50	4.22	3.41	3.54	2.70	1.93	3.04	3.92
Grapefruit, all uses (\$/box) ¹	1.66	2.39	3.60	3.76	3.19	1.93	1.36	1.61	2.84	4.17
Livestock										
Beef cattle (\$/cwt.)	34.40	48.50	66.00	64.60	60.60	61.30	63.20	64.60	63.60	63.40
Calves (\$/cwt.)	36.90	59.10	88.80	86.90	74.50	75.90	75.00	76.30	74.80	74.80
Hogs (\$/cwt.)	39.40	46.60	41.80	33.80	28.60	33.10	41.20	46.20	46.20	47.70
Lambs (\$/cwt.)	51.30	62.70	66.70	65.70	59.90	64.50	65.60	66.20	66.50	65.40
All milk, sold to plants (\$/cwt.)	9.72	10.60	12.00	12.60	12.60	12.50	12.60	12.80	13.20	13.60
Milk, manuf. grade (\$/cwt.)	8.70	9.65	11.10	11.60	11.70	11.70	11.60	11.80	12.20	12.50
Broilers (cts./lb.)	23.6	26.3	25.9	21.2	23.6	24.4	31.7	31.5	32.1	31.7
Eggs (cts./doz.) ²	55.6	52.2	58.3	63.4	47.0	48.4	50.7	68.0	61.9	58.5
Turkeys (cts./lb.)	35.5	43.6	41.1	40.0	31.2	32.0	36.8	39.7	44.0	47.9
Wool (cts./lb.) ³	72.0	74.5	86.3	87.6	88.2	90.8	90.3	88.1	93.1	94.5

¹ Equivalent on-tree returns. ² Average of all eggs sold by farmers including hatching eggs and eggs sold at retail. ³ Average local market price, excluding incentive payments. *Calendar Year averages. p Preliminary.

Producer and Retail Prices

Consumer Price Index for all urban consumers, U.S. average (not seasonally adjusted)

	Annual	1979	1980							
	1979	Sept	Feb	Mar	Apr	May	June	July	Aug	Sept
1967=100										
Consumer price index, all items	217.4	223.4	236.4	239.8	242.5	244.9	247.6	247.8	249.4	251.7
Consumer Price Index, less food	213.0	219.6	233.5	237.1	239.9	242.6	245.5	245.1	246.3	248.6
All food	234.5	237.1	244.9	247.3	249.1	250.4	252.0	254.8	258.7	261.1
Food away from home	242.9	247.6	258.3	260.9	263.0	264.6	266.6	267.8	269.5	271.4
Food at home	232.9	234.7	241.3	243.6	245.3	246.5	248.0	251.5	256.3	258.9
Meats ¹	241.9	238.1	244.1	245.7	242.6	239.2	238.1	243.3	251.1	257.8
Beef and veal	255.8	254.2	266.2	269.1	267.0	264.8	263.8	267.9	273.1	277.5
Pork	216.4	206.5	202.8	202.6	197.1	191.8	190.4	200.3	212.0	222.7
Poultry	181.5	174.8	182.6	180.7	177.2	176.5	177.9	187.9	197.5	205.2
Fish	302.3	309.7	320.4	322.6	325.3	324.5	329.1	330.1	331.8	335.8
Eggs	172.8	170.7	157.2	164.5	161.2	148.4	147.9	154.2	178.3	179.9
Dairy products ²	207.1	211.3	219.5	220.3	222.4	226.2	227.2	228.6	229.7	230.6
Fats and oils ³	226.3	231.5	235.9	236.8	238.3	239.5	240.0	239.3	242.0	243.6
Fruits and vegetables	230.0	231.8	228.3	232.4	240.9	246.6	250.1	253.9	258.4	257.4
Fresh	235.0	234.7	223.1	229.9	245.2	255.1	260.0	265.8	273.0	269.6
Processed	226.6	230.6	236.2	237.2	238.4	239.4	241.4	243.0	244.5	246.3
Cereals and bakery products	220.1	225.6	236.8	238.6	242.0	244.5	245.9	247.8	249.2	250.3
Sugar and sweets	277.6	282.0	297.5	313.5	319.5	326.8	342.0	353.1	355.1	361.1
Beverages, nonalcoholic	357.8	367.7	384.5	387.1	390.3	393.0	395.9	397.4	402.8	403.9
Apparel commodities less footwear	158.5	161.5	161.8	165.2	167.2	166.9	166.4	165.0	167.8	171.8
Footwear	176.7	180.1	184.6	187.0	188.3	189.3	189.0	189.5	190.3	193.2
Tobacco products	187.9	190.9	198.1	198.4	198.8	200.4	203.4	203.8	204.5	204.5
Beverages, alcoholic	172.4	174.2	180.4	181.7	183.9	185.4	186.4	187.2	188.7	189.6

¹ Beef, veal, lamb, pork, and processed meat. ² Includes butter. ³ Excludes butter.

Producer Price Indexes, U.S. average (not seasonally adjusted)

	Annual			1979	1980					
	1977	1978	1979	Sept	Apr	May	June	July	Aug	Sept
	1967=100									
Finished goods ¹	180.6	194.6	215.9	220.7	240.5	241.6	242.6	246.6	249.0	248.9
Consumer foods	189.1	206.8	226.3	228.1	228.9	230.0	231.0	239.5	244.9	245.8
Fruits and vegetables ²	192.2	216.5	229.0	208.3	223.0	244.0	233.4	247.5	253.8	266.0
Eggs	162.0	158.6	176.5	175.4	153.3	145.7	146.8	159.3	176.9	188.4
Bakery products	186.5	201.3	221.4	227.8	243.0	244.5	246.0	247.1	247.7	249.0
Meats	170.7	209.6	233.8	232.7	216.9	218.3	221.0	240.1	254.0	249.6
Beef and veal	157.5	202.2	252.2	257.4	250.7	254.6	257.2	269.0	278.7	266.7
Pork	190.1	219.1	205.0	196.8	162.1	163.7	169.5	199.8	219.2	221.4
Poultry	173.3	194.0	188.6	172.6	165.7	165.8	165.3	215.5	213.6	227.6
Fish	294.3	313.0	383.8	390.4	386.1	355.2	354.9	364.3	370.3	367.5
Dairy products	173.4	188.4	211.2	218.3	227.8	228.9	229.9	230.5	233.0	234.1
Processed fruits and vegetables	187.3	202.6	221.9	225.0	224.5	225.2	227.3	229.5	230.6	231.9
Refined sugar ³	n.a.	108.3	116.3	115.5	166.1	221.5	227.3	212.9	232.3	228.9
Vegetable oil and products	198.6	209.4	223.7	233.0	229.9	228.6	229.2	232.7	240.6	240.3
Consumer finished goods less foods	172.1	183.7	208.1	216.3	245.5	246.8	248.8	251.4	252.7	252.3
Beverages, alcoholic	139.7	148.2	161.3	163.3	171.5	172.5	173.2	173.6	179.1	179.8
Beverages, nonalcoholic	198.1	211.6	227.7	233.0	250.4	259.0	259.3	264.1	264.8	267.0
Apparel	147.3	152.4	160.3	161.6	169.1	169.7	172.0	174.1	174.8	174.7
Footwear	168.7	183.0	217.8	226.2	231.9	231.9	232.1	232.9	233.9	235.7
Tobacco products	179.8	198.5	217.7	221.7	237.6	244.6	245.1	247.6	247.6	247.6
Intermediate materials ⁴	201.7	215.5	242.7	251.0	274.5	276.4	277.7	280.3	282.6	284.1
Materials for food manufacturing	181.7	202.3	223.5	228.9	238.7	255.5	260.2	262.6	277.5	275.9
Flour	118.9	141.6	172.1	184.0	176.9	183.5	182.6	188.0	190.0	193.5
Refined sugar ⁵	n.a.	109.3	119.3	118.6	169.7	212.1	222.0	205.3	225.6	222.6
Crude vegetable oils	197.5	219.2	243.7	255.4	180.7	177.5	179.9	193.3	209.4	219.4
Crude materials ⁶	214.4	240.1	282.2	288.3	297.0	300.7	299.5	316.3	327.7	331.8
Foodstuffs and feedstuffs	190.9	215.3	247.1	248.7	235.5	242.9	242.5	263.3	276.6	276.7
Fruits and vegetables ²	192.2	216.5	229.0	208.2	223.0	243.8	233.4	247.5	253.8	266.0
Grains	165.0	182.5	214.8	224.4	210.8	219.0	215.3	244.8	256.5	260.6
Livestock	173.0	220.1	260.3	256.4	230.5	233.3	240.0	260.5	275.7	266.8
Poultry, live	175.4	199.8	194.3	173.5	171.9	171.3	166.6	227.2	224.5	241.0
Fibers, plant and animal	202.3	193.4	209.9	211.3	266.9	272.7	247.0	267.0	274.6	295.2
Milk	202.6	219.7	250.0	258.5	265.4	265.4	265.5	265.8	271.6	275.5
Oilseeds	236.7	224.1	245.5	242.2	208.9	215.5	214.0	258.5	259.7	278.7
Coffee, green	505.1	378.2	416.2	485.1	448.9	472.3	469.2	424.2	401.2	403.5
Tobacco, leaf	176.1	191.5	207.8	214.4	218.0	n.a.	218.7	217.7	217.7	n.a.
Sugar, raw cane	149.5	190.2	209.8	216.1	319.3	454.9	401.3	380.8	482.7	457.6
All commodities	194.2	209.3	235.5	241.7	262.8	264.2	265.2	269.8	273.1	274.1
Industrial commodities	195.1	209.4	236.3	243.8	271.3	271.9	273.0	275.6	277.3	278.2
All foods ⁷	186.8	206.5	266.3	228.5	231.7	237.4	237.7	245.4	253.9	254.2
Farm products and processed foods and feeds	188.8	206.6	229.8	231.7	229.3	233.8	234.2	246.1	254.8	256.3
Farm products	192.5	212.5	241.4	241.0	228.9	233.5	233.4	253.9	263.6	266.6
Processed foods and feeds	186.1	202.6	222.5	225.7	228.6	233.1	233.8	241.1	249.1	249.8
Cereal and bakery products	173.2	190.3	210.2	217.7	232.4	234.7	233.1	234.6	235.5	238.0
Sugar and confectionery	177.5	197.8	214.7	217.3	275.0	327.8	324.7	313.7	347.1	341.4
Beverages	200.9	200.0	210.8	217.9	227.9	231.2	233.6	234.4	237.3	236.2
Wholesale spot prices, 9 foodstuffs	208.2	239.1	255.6	259.1	235.0	244.4	250.0	270.0	283.7	284.8

¹ Commodities ready for sale to ultimate consumer. ² Fresh and dried. ³ Consumer size packages, Dec. 1977=100. ⁴ Commodities requiring further processing to become finished goods. ⁵ For use in food manufacturing. ⁶ Products entering market for the first time which have not been manufactured at that point. ⁷ Includes all processed food (except soft drinks, alcoholic beverages, and manufactured animal feeds) plus eggs and fresh and dried fruits and vegetables. n.a. = not available.

Farm-Retail Price Spreads

Market basket of farm foods

	Annual			1979p	1980p					
	1977	1978	1979p	Sept	Apr	May	June	July	Aug	Sept
Market basket¹:										
Retail cost (1967=100)	179.2	199.4	222.7	223.7	232.7	233.6	234.8	238.5	243.5	246.2
Farm value (1967=100)	178.3	205.6	228.2	224.1	224.1	225.4	231.1	245.7	256.4	259.5
Farm-retail spread (1967=100)	179.7	195.7	219.5	223.4	237.7	238.4	236.9	234.3	235.9	238.4
Farm value/retail cost (%)	36.8	38.2	37.9	37.1	35.6	33.7	36.4	38.1	39.0	39.0
Meat products:										
Retail cost (1967=100)	174.2	206.8	241.9	238.1	242.6	239.2	238.1	243.3	251.1	257.8
Farm value (1967=100)	169.8	206.4	234.6	224.9	220.3	213.8	217.4	238.8	252.2	255.1
Farm-retail spread (1967=100)	179.5	207.3	250.4	253.5	268.8	268.9	262.3	248.6	249.8	260.9
Farm value/retail cost (%)	52.6	53.8	52.3	51.0	49.0	48.2	49.2	52.9	54.2	53.4
Dairy products:										
Retail cost (1967=100)	173.3	185.5	207.0	211.3	222.4	226.2	227.2	228.6	229.7	230.6
Farm value (1967=100)	187.2	204.7	233.0	239.9	247.5	250.6	256.3	255.4	258.8	258.8
Farm-retail spread (1967=100)	161.3	168.8	184.4	186.4	200.5	205.0	201.8	205.3	204.3	206.0
Farm value/retail cost (%)	50.3	51.4	52.4	52.9	51.8	51.6	52.5	52.0	52.5	52.2
Poultry:										
Retail cost (1967=100)	158.1	172.9	181.5	174.8	177.2	176.5	177.9	187.9	197.5	205.2
Farm value (1967=100)	178.5	202.1	198.3	177.6	172.1	178.4	184.2	236.8	236.8	243.4
Farm-retail spread (1967=100)	138.4	144.7	165.2	172.1	182.2	174.7	171.8	140.6	159.5	168.2
Farm value/retail cost (%)	55.5	57.5	53.7	50.0	47.8	49.7	50.9	62.0	59.0	58.3
Eggs:										
Retail cost (1967=100)	169.1	157.8	172.8	170.7	161.2	148.4	147.9	154.2	178.3	179.9
Farm value (1967=100)	187.5	178.9	199.2	199.4	179.7	151.8	156.0	161.6	220.0	214.4
Farm-retail spread (1967=100)	142.5	127.3	134.6	129.3	134.4	143.4	136.2	143.5	118.1	130.0
Farm value/retail cost (%)	65.5	67.0	68.1	69.0	65.9	60.5	63.3	61.9	72.9	70.4
Cereal and bakery products:										
Retail cost (1967=100)	183.7	199.9	220.2	225.6	242.0	244.5	245.9	247.8	249.2	250.3
Farm value (1967=100)	138.2	163.9	190.0	202.7	199.4	217.7	218.4	221.8	223.8	232.9
Farm-retail spread (1967=100)	193.2	207.3	226.3	230.3	250.8	250.1	251.6	253.2	254.5	253.9
Farm value/retail cost (%)	12.9	14.1	14.8	15.4	14.1	15.3	15.2	15.4	15.4	16.0
Fresh fruits:										
Retail cost (1967=100)	187.9	230.1	258.5	285.4	263.2	270.9	282.9	294.9	317.7	298.2
Farm value (1967=100)	177.2	237.9	239.6	258.7	227.9	233.2	284.0	305.8	302.0	263.8
Farm-retail spread (1967=100)	192.7	226.6	267.0	297.4	279.1	287.8	282.4	290.0	324.8	313.6
Farm value/retail cost (%)	29.2	32.0	28.7	28.1	26.8	26.7	31.1	32.1	29.4	27.4
Fresh Vegetables:										
Retail costs (1967=100)	200.6	216.2	222.5	200.3	234.2	246.2	247.0	250.1	245.6	253.9
Farm value (1967=100)	205.4	215.7	206.7	164.4	206.7	205.7	220.0	225.5	247.1	256.5
Farm-retail spread (1967=100)	198.3	216.5	229.9	217.2	247.1	265.2	259.7	261.7	244.9	252.7
Farm value/retail cost (%)	32.8	31.9	29.7	26.2	28.2	26.7	28.5	28.8	32.2	32.3
Processed fruits and vegetables:										
Retail cost (1967=100)	190.2	208.7	226.6	230.6	238.4	239.4	241.4	243.0	244.5	246.3
Farm value (1967=100)	188.5	221.9	236.5	240.3	236.6	240.5	240.5	243.5	245.0	245.0
Farm-retail spread (1967=100)	190.6	205.8	224.4	228.5	238.8	239.2	241.6	242.9	244.4	246.6
Farm value/retail cost (%)	18.0	19.3	18.9	18.9	18.0	18.2	18.1	18.2	18.2	18.0
Fats and oils:										
Retail cost (1967=100)	192.0	209.6	226.3	231.5	238.3	239.5	240.0	239.3	242.0	243.6
Farm value (1967=100)	249.3	257.4	277.4	288.1	224.6	217.8	231.6	253.8	267.6	262.9
Farm-retail spread (1967=100)	169.9	191.1	206.7	209.7	243.6	247.8	243.3	233.7	232.1	236.1
Farm value/retail cost (%)	36.1	34.1	34.0	34.6	26.2	25.3	26.8	29.5	30.7	30.0

¹ Retail costs are based on indexes of retail prices for domestically produced farm foods from the CPI-U published monthly by the Bureau of Labor Statistics. The farm value is the payment to farmers for quantity of farm product equivalent to retail unit, less allowance for byproduct. Farm values are based on prices at first point of sale and may include marketing charges such as grading and packing for some commodities. The farm-retail spread, the difference between the retail price and the farm value, represents charges for assembling, processing, transporting, and distributing these foods.

Farm-retail price spreads

	Annual			1979	1980 p					
	1977	1978	1979	Sept	Apr	May	June	July	Aug	Sept
Beef, Choice: ¹										
Retail Price ² (cts./lb.)	148.4	181.9	226.3	226.6	233.3	230.4	230.6	237.8	242.2	244.5
Net carcass value ³ (cts.)	93.8	119.3	150.5	151.8	148.2	152.2	156.4	163.2	165.4	160.1
Net farm value ⁴ (cts.)	85.5	111.1	140.8	142.1	138.2	142.7	146.1	153.5	155.2	150.0
Farm-retail spread (cts.)	62.9	70.8	85.5	84.5	95.1	87.7	84.5	84.3	87.0	94.5
Carcass-retail spread ⁵ (cts.)	54.6	62.6	75.8	74.8	85.1	78.2	74.1	74.6	76.8	84.4
Farm-carcass spread ⁶ (cts.)	8.3	8.2	9.7	9.7	10.0	9.5	10.3	9.7	10.2	10.1
Farm value/retail price (%)	58	61	62	63	59	62	64	65	64	61
Pork: ¹										
Retail price ² (cts./lb.)	125.4	143.6	144.1	135.6	127.8	123.6	124.4	136.2	145.7	151.0
Wholesale value ³ (cts.)	99.0	107.7	100.4	94.8	79.7	79.6	87.6	101.5	111.0	110.6
Net farm value ⁴ (cts.)	65.6	76.6	66.6	60.5	45.6	46.6	55.5	68.2	76.4	74.1
Farm-retail spread (cts.)	59.8	67.0	77.5	75.1	82.2	77.0	68.9	68.0	69.3	76.9
Wholesale-retail spread ⁵ (cts.)	26.4	35.9	43.7	40.8	48.1	44.1	36.8	34.7	34.7	40.4
Farm-wholesale spread ⁶ (cts.)	33.4	31.1	33.8	34.3	34.1	32.9	32.1	33.3	34.6	36.5
Farm value/retail price (%)	52	53	46	45	36	38	46	50	62	49

¹ Revised series, for historical data and methodology see August 1978 issue of *Livestock and Meat Situation*, LMS-222. ² Estimated weighted average Price of retail cuts from pork and yield grade 3 beef carcasses. Retail prices from USDA's meat price survey. ³ Value of carcass quantity equivalent to 1 lb. of retail cuts-beef adjusted for value of fat and bone byproducts. ⁴ Market value to producer for quantity of live animal equivalent to 1 lb. retail cuts minus value of byproducts. ⁵ Represents charges for retailing and other marketing services such as fabricating, wholesaling, and in-city transportation. ⁶ Represents charges made for livestock marketing, processing and transportation to city where consumed. p Preliminary.

Prices indexes of food marketing costs¹

	Annual			1979			1980		
	1977	1978	1979	II	III	IV	I ²	II	III ²
	1967=100								
Labor-hourly earnings and benefits:	222.4	244.4	266.8	263.4	266.8	273.8	281.6	288.2	294.7
Processing	217.6	237.2	257.9	255.4	259.0	266.3	274.8	281.2	286.0
Wholesaling	217.8	239.4	260.4	257.6	261.6	269.8	276.8	281.0	283.6
Retailing	229.4	253.8	276.1	274.0	276.9	282.9	290.4	298.3	308.2
Intermediate supplies and services	198.6	212.7	240.3	234.4	245.0	255.3	269.1	279.8	282.5
Packaging and containers	192.8	204.7	228.4	224.8	231.0	242.9	252.0	264.6	262.6
Paperboard boxes and containers	176.5	179.3	202.1	198.0	203.7	213.8	224.5	236.1	235.8
Metal cans	231.4	260.8	293.0	293.9	291.8	306.3	309.2	331.6	331.5
Paper bags and related products	176.7	186.2	209.7	206.8	212.7	218.7	229.2	236.7	242.3
Plastic films and bottles	193.6	192.8	216.9	208.6	226.2	247.2	260.5	270.0	254.4
Glass containers	214.4	244.6	261.1	256.7	263.9	270.0	276.2	280.6	294.1
Metal foil	140.0	159.0	175.6	175.0	176.2	178.1	182.7	182.7	181.8
Transportation services	205.1	220.5	251.3	242.2	250.0	273.1	276.6	290.9	293.7
Advertising	166.3	179.2	197.4	195.9	199.2	202.7	209.0	213.0	216.6
Fuel and power	310.6	331.3	418.2	386.4	445.4	489.9	629.8	666.8	583.6
Electric	232.9	250.8	270.3	263.9	273.9	286.9	298.9	314.7	331.4
Petroleum	384.1	398.1	574.6	507.9	637.9	720.0	790.6	863.3	873.3
Natural gas	388.0	429.0	544.8	502.3	574.7	642.5	706.6	741.7	770.3
Communications, water, and sewage	142.6	147.4	148.7	148.2	148.9	149.5	150.3	151.9	155.1
Rent	185.0	199.2	216.4	214.2	219.5	223.0	227.2	233.6	240.1
Maintenance and repair	209.2	226.4	249.7	246.7	252.6	258.7	266.6	275.3	279.8
Business services	182.5	195.2	211.0	208.3	212.8	218.2	223.7	229.9	234.3
Supplies	188.9	197.9	224.3	218.0	229.7	239.2	249.0	256.6	261.1
Property taxes and insurance	218.9	237.2	246.9	244.7	249.5	253.9	261.4	266.8	274.1
Interest, short-term	109.8	156.4	213.5	192.8	207.5	256.3	277.9	210.4	188.8
Total marketing cost index	209.2	227.0	252.2	247.3	254.7	265.8	274.6	283.4	288.8

¹ Indexes measure changes in employee wages and benefits and in prices of supplies and services used in processing, wholesaling, and retailing U.S. farm foods purchased for at-home consumption. ² Preliminary.

Livestock and Products

Livestock and products output and prices

	1978	1979					1980				
	Annual	I	II	III	IV	Annual	I	II	III ¹	IV ¹	Annual ¹
Beef (mil. lb.)	24,010	5,547	5,076	5,222	5,416	21,261	5,244	5,250	5,383	5,500	21,377
Change (pct.) ²	-4	-9	-15	-12	-10	-11	-5	+3	+3	+2	+1
Pork (mil. lb.)	13,209	3,395	3,754	3,775	4,346	15,270	4,124	4,300	3,757	4,125	16,306
Change (pct.) ²	+1	+5	+15	+19	+23	+16	+21	+15	0	-5	+7
Veal (mil. lb.)	600	113	98	99	100	410	91	89	95	90	365
Change (pct.) ²	-24	-37	-34	-29	-26	-32	-19	-9	-4	-10	-11
Lamb and mutton (mil. lb.)	300	71	71	69	73	284	80	77	72	70	299
Change (pct.) ²	-12	-5	-7	-7	-5	-5	+13	+8	+4	-4	+5
Red meats (mil. lb.)	38,119	9,126	8,999	9,165	9,935	37,225	9,539	9,716	9,307	9,785	38,347
Change (pct.) ²	-3	-5	-4	-1	+1	-2	+5	+8	+2	-2	+3
Broilers (mil. lb.)	9,884	2,551	2,844	2,855	2,665	10,915	2,722	2,923	2,759	2,670	11,074
Change (pct.) ²	+7	+10	+12	+11	+9	+10	+7	+3	-4	0	+1
Turkeys (mil. lb.)	1,983	272	465	720	725	2,182	374	523	705	720	2,322
Change (pct.) ²	+5	+19	+16	+6	+7	+10	+38	+12	-2	-1	+6
Total meats (mil. lb.)	49,986	11,949	12,308	12,740	13,325	50,322	12,635	13,162	12,767	13,175	51,739
Change (pct.) ²	-1	-3	-1	+2	+3	+1	+6	+7	0	-1	+3
Eggs (mil. doz.)	5,606	1,423	1,434	1,436	1,477	³ 5,769	1,464	1,421	1,426	1,460	5,771
Change (pct.) ²	+4	+3	+3	+4	+2	+3	+3	-1	-1	-1	0
Milk (bil. lb.)	³ 121.6	29.8	32.8	31.2	29.8	123.6	31.1	34.0	32.2	30.5	³ 127.7
Change (pct.) ²	-1	0	+1	+3	+3	+2	+4	+4	+3	+2	+3
Total livestock and products (1974=100)	105.7	101.9	106.7	107.5	109.0	106.3	106.6	112.0	108.7	109.0	109.1
Change (pct.) ²	-5	-1.0	-6	+1.4	+3.2	-6	+4.6	+5.0	+1.1	0	2.6
Prices											
Choice steers, Omaha (\$ per cwt.)	52.34	65.42	72.51	65.88	67.18	67.75	66.85	64.65	70.82	69.71	67-69
Barrows and gilts, 7-markets (\$ per cwt.)	48.49	51.98	43.04	38.52	36.39	42.06	36.31	31.18	46.23	45.47	39-41
Broilers, 9-city wholesale (cts. per lb.) ⁴	44.5	47.5	47.7	40.8	41.7	44.4	43.0	41.1	53.3	48-50	46-48
Turkeys, N.Y., wholesale (cts. per lb.) ⁴	66.7	70.2	66.2	63.1	73.0	68.1	59.0	54.3	68.3	78-80	64-66
Eggs, cartonated, Grade A large, N.Y. (cts. per doz.)	61.7	71.9	66.1	65.2	69.4	68.2	62.1	57.0	70.3	71-73	64-66
Milk, all at farm (\$ per cwt.)	10.60	11.87	11.53	11.97	12.77	12.00	12.77	12.60	12.87	13.70-13.90	12.95-13.05
Livestock prices received by farmers (1967=100)	217	263	265	248	251	257	251	234	259	268	253

¹ Forecast. ² Change from year-earlier. ³ Does not add due to quarterly data. ⁴ Weighted average. ⁵ 8-16 pound young hens.

Dairy:

	Annual			1979	1980					
	1977	1978	1979	Sept	Apr	May	June	July	Aug	Sept
Milk production:										
Total milk (mil. lb.)	122,698	121,609	123,623	10,014	10,941	11,609	11,409	11,019	10,786	10,352
Milk per cow (lb.)	11,181	11,218	11,471	929	1,015	1,075	1,055	1,017	993	952
Number of milk cows (thou.)	10,974	10,841	10,777	10,785	10,780	10,797	10,812	10,840	10,864	10,876
Milk prices, Minnesota-Wisconsin,										
3.5% fat (\$/cwt.) ¹	8.58	9.57	10.91	11.32	11.68	11.66	11.68	11.73	11.86	12.07
Price of 16% dairy ration (\$/ton)	140	138	156	160	164	165	167	170	180	188
Milk-feed price ratio (lb.) ²	1.39	1.53	1.54	1.54	1.56	1.53	1.50	1.47	1.42	1.39
Stocks, beginning										
Total milk equiv. (mil. lb.) ³	5,708	8,626	8,730	10,487	9,237	9,886	11,137	11,871	12,624	12,912
Commercial (mil. lb.)	5,299	4,916	4,475	8,691	6,567	5,958	6,263	6,181	6,110	6,013
Government (mil. lb.)	410	3,710	4,254	3,796	3,670	3,929	4,874	5,690	6,516	6,899
Imports, total equiv. (mil. lb.) ³	1,968	2,310	2,305	181	103	123	131	149	150	n.a.
USDA net removals ⁴										
Total milk equiv. (mil. lb.) ³	6,080	2,743	2,119	2.4	1,306.0	1,630.0	1,483.2	856.6	394.9	206.5
Butter:										
Production (mil. lb.)	1,085.6	994.3	984.6	60.6	111.1	116.4	93.8	85.0	77.7	77.2
Stocks, beginning (mil. lb.)	47.1	184.9	206.9	239.1	214.2	234.1	275.7	289.4	301.0	306.4
Wholesale price, Grade A Chi. (cts./lb.)	98.4	109.8	122.4	127.8	134.3	136.9	139.0	139.3	144.6	145.1
USDA net removals (mil. lb.)	221.8	112.0	81.6	0	51.8	60.8	44.5	11.6	⁵ -2.7	.7
Commercial disappearance (mil. lb.)	859.8	903.5	895.0	63.4	46.5	55.0	60.0	77.1	73.9	n.a.
American cheese:										
Production (mil. lb.)	2,043.1	2,074.2	2,187.7	167.7	203.6	230.5	223.1	205.9	192.7	181.5
Stocks, beginning (mil. lb.)	411.4	422.1	378.8	460.2	391.4	416.1	450.9	490.2	537.9	556.4
Wholesale price, Wis. assembly pt. (cts./lb.)	96.8	107.1	123.8	131.5	131.4	131.0	130.9	130.8	132.6	136.9
USDA net removals (mil. lb.)	148.2	39.7	40.2	0	23.7	37.7	57.0	62.0	45.3	19.2
Commercial disappearance (mil. lb.)	1,958.8	2,064.7	2,110.9	171.5	167.5	168.5	159.2	149.3	172.2	n.a.
Other Cheese:										
Production (mil. lb.)	1,315.5	1,445.6	1,527.6	122.9	129.3	129.1	131.1	123.6	124.0	133.5
Stocks, beginning (mil. lb.)	67.1	64.0	78.4	98.6	109.2	106.9	107.3	111.9	114.0	114.1
Commercial disappearance (mil. lb.)	1,512.3	1,655.6	1,730.7	147.0	142.1	141.3	141.3	137.2	139.6	n.a.
Nonfat dry milk:										
Production (mil. lb.)	1,106.6	920.4	908.7	55.9	112.0	133.4	132.6	122.1	102.1	75.8
Stocks, beginning (mil. lb.)	485.4	677.9	585.1	560.4	444.8	483.3	507.7	548.4	540.7	582.4
Wholesale price, avg. manf. (cts./lb.)	66.5	71.4	80.0	80.7	87.3	88.7	88.8	88.9	89.2	89.7
USDA net removals (mil. lb.)	461.7	285.0	256.3	10.0	59.6	89.7	103.1	96.2	48.5	33.9
Commercial disappearance (mil. lb.)	682.2	658.4	603.1	60.1	21.0	19.3	33.3	45.4	62.6	n.a.
Frozen dessert production (mil. gal.) ⁴	1,167.6	1,173.5	1,152.9	99.6	98.3	106.8	117.6	126.9	119.7	103.6

¹ Manufacturing grade milk. ² Pounds of 16% protein ration equal in value to 1 pound of milk. ³ Milk equivalent, fat-solids basis. ⁴ Ice cream, ice milk, and sherbert.
⁵ Domestic sales exceeded purchases. n.a. = not available.

Wool:

	Annual			1979	1980					
	1977	1978	1979	Sept.	Apr.	May	June	July	Aug.	Sept.
U.S. wool price, Boston ¹ (cts./lb.)	183	189	218	220	231	225	233	245	251	253
Imported wool price, Boston ² (cts./lb.)	224	230	257	243	258	253	259	258	259	267
U.S. mill consumption, scoured										
Apparel wool (thou. lb.)	95,485	102,246	101,206	6,776	11,328	9,190	8,326	7,471	8,372	n.a.
Carpet wool (thou. lb.)	12,526	13,009	9,846	805	901	712	626	688	920	n.a.

¹ Wool price delivered at U.S. mills, clean basis, Graded Territory 64's (20.60-22.04 microns) staple 2½" and up. Prior to January 1976 reported as: Territory fine, good French combing and staple. ² Wool price delivered at U.S. mills, clean basis, Australian 60/62's, type 64A (24 micron), including duty (25.5 cents). Duty in 1980 is 20.0 cents. Prior to January 1976 reported as: Australian 64's combing, excluding, n.a. not available.

Poultry and eggs:

	Annual			1979	1980					
	1977	1978	1979	Sept	Apr	May	June	July	Aug	Sept
Eggs										
Farm production (mil.) ¹	64,888	67,278	69,227	5,642	5,699	5,781	5,670	5,714	5,745	5,696
Average number of layers on farms (mil.)	275	282	288	288	283	279	279	281	284	289
Rate of lay (eggs per layer)	236	239	240	19.6	20.2	20.7	19.9	20.3	20.2	19.7
Cartoned price, New York, grade A										
large (cts./doz.) ¹	63.3	61.7	68.2	64.7	60.3	55.1	59.0	68.1	69.9	72.8
Price of laying feed (\$/ton)	152	152	168	173	173	176	176	179	193	199
Egg-feed price ratio (lb.) ²	7.3	6.9	7.0	6.4	6.0	5.3	5.5	5.7	5.0	6.2
Stocks, beginning of period:										
Shell (thou. cases)	28	39	38	28	23	29	47	50	38	29
Frozen (mil. lb.)	26.1	29.7	25.3	24.7	23.3	25.9	26.6	29.2	29.4	30.7
Replacement chicks hatched (mil.)	502	492	519	36.6	46.6	46.6	41.6	37.3	37.4	36.7
Broilers										
Federally inspected slaughter, certified (mil. lb.)	9,227	9,883	10,916	863.2	977.7	992.3	952.6	929.7	905.0	n.a.
Wholesale price, 9-city, (cts./lb.)	40.8	44.5	44.4	39.9	38.9	41.1	43.3	52.8	52.4	54.8
Price of broiler grower feed (\$/ton)	171	169	189	195	193	189	190	192	212	212
Broiler-feed price ratio (lb.) ²	2.7	3.1	2.8	2.4	2.3	2.5	2.6	3.3	3.0	2.9
Stocks, beginning of period (mil. lb.)	32.9	29.4	20.1	26.6	30.6	31.3	30.4	34.8	31.8	30.9
Average weekly placements of broiler chicks, 21 States (mil.)	66.6	70.9	76.3	71.7	82.3	81.5	81.9	77.9	71.6	73.6
Turkeys										
Federally inspected slaughter, certified (mil. lb.)	1,892	1,983	2,182	233.0	141.4	177.5	204.2	240.2	225.5	n.a.
Wholesale price, New York, 8-16 lb. young hens (cts./lb.)	54.0	66.7	68.1	63.3	54.1	53.3	55.5	63.3	67.2	74.5
Price of turkey grower feed (\$/ton)	184	182	202	206	200	204	208	213	230	240
Turkey-feed price ratio (lb.) ²	3.8	4.6	4.1	3.7	3.4	3.1	3.1	3.6	3.5	3.7
Stocks, beginning of period (mil. lb.)	203.4	167.9	175.1	382.6	208.8	210.8	236.6	288.6	325.8	384.0
Poults hatched (mil.)	148.4	157.5	180.0	8.0	21.1	21.1	20.2	18.5	12.2	8.9

¹ Price of cartoned eggs to volume buyers for delivery to retailers. ² Pounds of feed equal in value to 1 dozen eggs or 1 lb. of broiler or turkey liveweight.

Meat animals:

	Annual			1979	1980					
	1977	1978	1979	Sept	Apr	May	June	July	Aug	Sept
Cattle on feed (7-States)										
Number on feed (thou. head) ¹	8,213	8,927	9,226	7,251	7,156	6,828	6,853	6,793	6,887	7,045
Placed on feed (thou. head) ²	20,809	22,593	19,877	2,048	1,247	1,602	1,450	1,519	1,618	1,736
Marketings (thou. head)	18,701	20,297	18,793	1,384	1,445	1,369	1,397	1,346	1,399	1,457
Other disappearance (thou. head)	1,383	1,997	1,856	86	130	208	113	79	61	73
Beef steer-corn Price ratio, Omaha (bu.) ³	19.9	24.8	28.7	28.6	27.2	26.6	26.5	25.1	24.3	23.1
Hog-corn price ratio, Omaha (bu.) ³	20.2	22.9	18.1	16.2	12.3	12.0	13.8	15.3	16.1	15.6
Commercial slaughter (thou. head) ⁴										
Cattle	41,856	39,552	33,678	2,551	2,712	2,782	2,700	2,833	2,855	2,925
Steers	19,342	18,526	17,363	1,286	1,466	1,480	1,412	1,440	1,345	1,424
Heifers	11,748	11,758	9,725	782	731	787	769	820	904	874
Cows	9,854	8,470	5,923	429	459	458	457	508	539	659
Bulls and stags	902	798	639	54	55	57	62	65	67	67
Calves	5,517	4,170	2,824	217	206	184	181	211	208	227
Sheep and lambs	6,356	5,369	5,017	428	485	469	416	439	447	491
Hogs	77,303	77,315	89,099	7,117	8,869	8,551	7,622	7,213	7,042	7,911
Commercial production (mil. lb.)										
Beef	24,986	24,010	21,254	1,618	1,739	1,785	1,726	1,781	1,776	1,827
Veal	794	600	413	31	30	29	30	31	31	33
Lamb and mutton	341	300	284	23	28	27	22	23	23	26
Pork	13,051	13,209	15,290	1,204	1,514	1,473	1,313	1,231	1,191	1,335

Dol. Per 100 pounds

Market Prices										
Slaughter cattle:										
Choice steers, Omaha	40.38	52.34	67.67	67.84	63.07	64.58	66.29	70.47	72.31	69.68
Utility cows, Omaha	26.32	36.79	50.10	49.65	45.73	42.78	44.06	43.33	45.63	46.56
Choice vealers, S. St. Paul	48.19	69.24	91.41	96.68	73.60	71.88	72.00	73.00	79.12	85.00
Feeder cattle:										
Choice, Kansas City, 600-700 lb.	40.19	58.78	83.08	85.34	69.87	69.18	72.25	73.32	76.40	77.60
Slaughter hogs:										
Barrows and gilts, 7-markets	41.07	48.49	42.06	38.42	28.86	29.50	35.17	43.16	48.30	47.06
Feeder pigs:										
S. Mo. 40-50 lb. (per head)	35.42	48.16	35.26	29.30	23.86	20.37	22.24	24.48	33.46	33.25
Slaughter sheep and lambs:										
Lambs, Choice, San Angelo	54.28	65.33	68.45	67.75	65.50	61.75	69.00	69.00	69.25	68.25
Ewes, Good, San Angelo	19.19	28.97	32.82	28.56	27.90	25.00	22.00	22.00	19.00	20.12
Feeder lambs:										
Choice, San Angelo	55.12	75.61	77.53	74.25	64.00	57.42	65.38	65.38	65.44	67.62
Wholesale meat prices, Midwest ⁵										
Choice steer beef, 600-700 lb.	62.69	80.43	101.62	101.91	99.41	102.00	105.18	110.11	111.96	107.97
Canner and Cutter cow beef	51.58	74.61	100.23	94.62	92.68	87.70	88.19	89.47	93.03	93.75
Pork loins, 8-14 lb.	83.04	95.99	91.35	88.41	70.90	70.73	79.80	87.22	95.06	95.32
Pork bellies 12-14 lb.	54.19	62.50	46.00	38.63	27.85	29.40	32.51	45.69	55.60	54.72
Hams, skinned, 14-17 lb.	76.50	86.37	77.04	70.64	56.46	0	60.30	0	80.39	83.55

	Annual			1979	1980					
	1977	1978	1979	II	III	IV	I	II	III	IV
Cattle on feed (23-States):										
Number on feed (thou. head) ¹	11,948	12,811	12,681	11,074	10,309	9,938	11,713	10,203	9,619	9,986
Placed on feed (thou. head) ²	27,651	29,073	26,062	6,149	5,957	8,077	5,217	5,625	6,412	—
Marketings (thou. head)	24,853	26,645	24,600	6,146	5,976	5,731	6,155	5,620	5,746	—
Other disappearance (thou. head) ²	1,935	2,558	2,404	768	352	571	572	589	299	—
Hogs and pigs (14-States): ⁴										
Inventory (thou. head) ¹	47,120	48,308	51,220	50,935	55,540	67,270	67,330	55,005	56,140	55,560
Breeding (thou. head) ¹	6,788	7,324	8,095	8,333	8,696	8,277	8,082	8,099	7,829	7,447
Market (thou. head) ¹	40,332	40,984	43,125	42,602	46,844	48,993	48,811	46,636	47,311	48,113
Farrowings (thou. head)	10,362	10,609	12,320	3,486	3,159	3,043	2,745	3,391	2,853	—
Pig crop (thou. head)	74,161	75,564	87,412	24,994	22,606	21,546	19,627	24,856	20,453	—

¹Beginning of period. ²Other disappearance excluded in 1973; not comparable with 1974 and 1975. ³Bushels of corn equal in value to 100 pounds liveweight. ⁴220-240 lb. Beginning in January 230-240 lb. ⁵Prior to Oct. 1975, Chicago. ⁶Quarters are Dec. preceding year-Feb. (I), Mar.-May (II), June-Aug. (III), and Sept.-Nov. (IV). ⁷Intentions. ⁸Classes estimated.

Crops and Products

Feed grains:

	Marketing year ¹			1979	1980					
	1976/77	1977/78	1978/79	Sept	Apr	May	June	July	Aug	Sept p
Wholesale prices:										
Corn, No. 2 Yellow, Chicago (\$/bu.)	2.30	2.26	2.54	2.78	2.61	2.70	2.70	3.08	3.36	3.44
Sorghum, No. 2 Yellow, Kansas City (\$/cwt.)	3.49	3.54	4.00	4.34	4.09	4.31	4.49	5.36	5.71	5.61
Barley, feed, Minneapolis (\$/bu.)	2.35	1.68	1.80	2.22	2.12	2.09	2.15	2.48	2.39	2.43
Barley, malting, Minneapolis (\$/bu.) ²	3.13	2.27	2.38	3.10	2.73	2.82	2.99	3.36	3.27	3.63
Exports:										
Corn (mil. bu.)	1,684	1,948	2,133	186	214	171	193	198	207	204
Feed grains (mil. metric tons) ³	50.6	56.3	60.2	5.4	6.5	5.1	5.7	5.7	5.9	6.8
	Marketing year ¹			1979				1980		
	1976/77	1977/78	1978/79	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May	June-Sept p
Corn:										
Stocks, beginning (mil. bu.)	399	884	1,104	6,203	4,423	3,232	1,286	6,773	4,780	3,587
Domestic use:										
Feed (mil. bu.)	3,587	3,709	4,198	1,224	695	881	1,474	1,276	692	955
Food, seed, ind. (mil. bu.)	513	551	675	129	109	201	141	135	116	233
Feed grains:³										
Stocks, beginning (mil. metric tons)	17.2	29.9	41.2	190.4	135.1	99.4	55.0	203.4	142.1	105.8
Domestic use:										
Feed (mil. metric tons)	112.6	117.3	133.1	38.3	21.2	30.1	45.7	39.0	20.5	30.0
Food, seed, ind. (mil. metric tons)	17.9	18.8	19.7	4.5	4.0	6.6	4.7	4.6	4.2	7.4

¹ Beginning October 1 for corn and sorghum; June 1 for oats and barley. ² No. 3 or better, 65% or better, plump beginning October 1977. ³ Aggregated data for corn, sorghum, oats, and barley. p. Preliminary.

Food grains:

	Marketing Year ¹			1979	1980					
	1976/77	1977/78	1978/79	Sept	Apr	May	June	July	Aug	Sept
Wholesale prices:										
Wheat, No. 1 HRW, Kansas City (\$/bu.) ²	2.88	2.72	3.38	4.26	3.90	4.10	4.07	4.21	4.31	4.45
Wheat, DNS, Minneapolis (\$/bu.) ²	2.96	2.66	3.17	4.18	3.94	4.21	4.19	4.54	4.22	4.17
Flour, Kansas City (\$/cwt.)	7.21	6.60	7.81	10.08	9.49	10.01	9.84	10.00	10.11	10.48
Flour, Minneapolis (\$/cwt.)	8.34	7.34	8.17	10.46	9.69	10.38	10.34	11.03	10.96	10.98
Rice, S.W. La. (\$/cwt.) ³	14.60	21.30	18.40	21.50	24.00	23.25	21.80	20.90	20.75	22.00
Wheat:										
Exports (mil. bu.)	950	1,124	1,194	136	102	92	101	127	147	143
Mill grind (mil. bu.)	628	616	622	52	47	50	48	52	53	—
Wheat flour production (mil. cwt.)	279	275	278	23	21	23	21	23	24	—
	Marketing year ¹			1979				1980		
	1976/77	1977/78	1978/79	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May	June-Sept
Wheat:										
Stocks, beginning (mil. bu.)	665	1,112	1,177	1,633	1,226	925	2,272	1,716	1,225	925
Domestic use:										
Food (mil. bu.)	588	586	592	147	99	198	157	145	95	—
Feed and seed (mil. bu.) ⁴	160	263	265	36	34	86	11	63	36	—
Exports (mil. bu.)	950	1,124	1,194	224	168	511	388	283	193	518

¹ Beginning June 1 for wheat and August 1 for rice. ² Ordinary protein. ³ Long-grain, milled basis. ⁴ Feed use approximated by residual.

Fats and oils:

	Marketing Year ¹			1979						
	1976/77	1977/78	1978/79	Sept	Apr.	May	June	July	Aug	Sept
Soybeans:										
Wholesale price, No. 1 yellow, Chicago (\$/bu.) . . .	7.36	6.11	6.75	7.04	5.80	6.02	6.14	7.20	7.36	7.87
Crushings (mil. bu.)	790.2	927.7	1,017.8	75.9	91.9	93.8	82.0	84.9	83.7	81.6
Processing margin (\$/bu.) ² . . . . .	.19	.29	.36	.85	.8	.19	.17	.19	.36	.34
Exports (mil. bu.)	564.1	723.4	753.0	44.9	81.3	74.2	58.7	49.1	57.7	—
Soybean oil:										
Wholesale price, crude, Decatur (cts./lb.)	23.9	23.8	27.4	30.0	20.3	20.8	21.7	26.2	25.9	26.1
Production (mil. lb.)	8,577.9	10,291.4	11,323.0	848.9	993.7	1,008.3	901.7	927.8	913.8	889.9
Domestic disappearance (mil. lb.)	7,454.4	8,192.4	894.2	710.9	696.8	700.7	617.0	738.6	785.7	—
Exports (mil. lb.)	1,547.5	2,137.1	2,334.0	172.6	279.5	335.1	203.2	120.8	173.6	—
Stocks, beginning (mil. lb.)	1,250.6	766.6	771.0	815.0	1,183.7	1,156.2	1,156.2	1,225.9	1,294.2	1,259.5
Soybean meal:										
Wholesale price, 44% protein, Decatur (\$/ton) . .	199.80	161.87	190.10	188.60	154.20	166.50	160.90	187.90	207.40	234.50
Production (thou. ton)	18,488.1	22,398.9	24,354.0	1,821.7	2,203.1	2,247.0	1,922.0	1,989.5	1,944.9	1,895.4
Domestic disappearance (thou. ton)	14,000.8	16,287.2	1,772.0	1,349.0	1,593.9	1,423.4	1,425.0	—	—	—
Exports (thou. ton)	4,559.2	7,542.7	6,610	379.0	661.2	750.7	558.0	568.6	379.1	—
Stocks, beginning (thou. ton)	354.9	228.3	243	173.7	251.1	226.1	295.8	262.0	232.4	225.1
Margarine, wholesale price, Chicago (cts./lb.) . . .	31.4	39.1	43.5	52.5	45.7	44.0	44.7	48.6	49.0	48.3

¹ Beginning September 1 for soybeans; October 1 for soy meal and oil; calendar year 1974, 1975, and 1976 for margarine. ² Spot basis, Illinois shipping points.

Fruit:

	Annual			1979						
	1977	1978	1979	Sept	Apr	May	June	July	Aug	Sept
Wholesale price indexes:										
Fresh fruit (1967=100)	177.5	217.6	230.4	237.3	229.6	244.3	224.0	250.1	268.0	267.3
Dried fruit (1967=100)	338.4	355.3	530.7	557.9	374.8	374.8	375.8	376.9	376.9	381.7
Canned fruit and juice (1967=100)	190.4	213.9	240.2	245.7	254.7	255.3	257.3	257.6	256.4	257.5
Frozen fruit and juice (1967=100)	196.5	232.0	248.5	251.1	247.0	247.4	243.2	244.0	229.3	243.1
F.o.b. shipping point prices:										
Apples, Yakima Valley (\$/ctn.) ¹	n.a.	n.a.	n.a.	11.67	13.02	13.24	14.9	15.64	n.a.	12.38
Pears, Yakima Valley (\$/box) ¹	n.a.	n.a.	n.a.	n.a.	15.02	15.31	n.a.	n.a.	n.a.	n.a.
Oranges, U.S. avg. (\$/box)	7.44	10.69	12.94	12.40	8.89	8.82	9.04	9.42	8.99	10.60
Grapefruit, U.S. avg. (\$/box)	6.27	6.72	7.96	13.20	8.35	8.88	9.42	8.23	9.25	10.10
Stocks, beginning:										
Fresh apples (mil. lb.)	³ 2,249.0	³ 2,624.5	³ 2,789.6	1,835.0	651.2	322.1	140.2	19.8	3.4	1,487.1
Fresh pears (mil. lb.)	³ 211.6	³ 195.3	³ 157.6	428.4	24.0	2.6	n.a.	38.7	63.2	435.1
Frozen fruit (mil. lb.)	³ 538.9	³ 517.9	³ 557.2	554.0	364.0	340.9	419.6	50.0	603.9	624.5
Frozen fruit juices (mil. lb.)	³ 844.1	³ 714.0	³ 733.1	903.3	1,546.5	1,768.7	1,816.8	1,643.9	1,452.3	1,200.9

¹ Red Delicious, Washington extra fancy, carton tray pack, 80 125's. ² D'Anjou pears, Washington wrapped, U.S. No. 1, 90-135's C.A. storage. ³ Stocks as of January 1 of year listed. n.a. = not available.

Cotton:

	Marketing year ¹			1979						
	1976/77	1977/78	1978/79	Sept	Apr	May	June	July	Aug	Sept
U.S. price, SLM, 1-1/16 in. (cts./lb.) ²	70.9	52.7	61.6	62.2	79.1	78.3	72.4	79.0	85.5	87.5
Northern Europe prices:										
Index (cts./lb.) ³	81.7	70.6	76.1	78.0	90.6	88.4	84.1	88.9	96.4	100.6
U.S., SM 1-1/16 in. (cts./lb.) ⁴	82.4	66.0	76.3	78.4	95.1	95.3	85.4	93.5	102.3	106.9
U.S. mill consumption (thou. bales)	6,674.4	6,462.5	6,434.8	482.3	649.7	518.6	495.3	508.0	459.8	—
Exports (thou. bales)	4,783.6	5,484.1	6,180.2	451.6	963.1	956.2	721.3	567.7	422.5	—

¹ Beginning August 1. ² Average spot market. ³ Liverpool Outlook "A" index, average of five lowest priced of 10 selected growths. ⁴ Memphis territory growths.

Vegetables.

	Annual			1979	1980					
	1977	1978	1979	Sept	Apr	May	June	July	Aug	Sept
Wholesale prices:										
Potatoes, white, f.o.b. East (\$/cwt.) . . .	5.52	5.20	4.54	4.20	3.32	5.04	7.06	7.93	8.02	6.23
Iceberg lettuce (\$/ctrn.) ¹	3.23	5.10	5.10	4.18	5.84	6.31	2.70	3.75	3.86	5.31
Tomatoes (\$/ctrn.) ²	7.21	6.65	7.86	5.00	10.08	9.36	9.10	5.32	6.86	7.63
Wholesale price index, 10 canned										
veg. (1967=100)	170	175	191	194	191	192	198	199	203	211
Grower price index, fresh commercial										
veg. (1967=100)	197	209	215	182	238	231	216	197	206	224

¹ Std. carton 24's f.o.b. shipping point. ² 5 x 6-6 x 6, f.o.b. Fla-Cal.

Sugar:

	Annual			1979	1980					
	1977	1978	1979	Sept	Apr	May	June	July	Aug	Sept
U.S. raw sugar price, N.Y. (cts./lb.) ¹ . .	10.99	—	—	—	22.67	31.89	32.10	28.75	33.14	\$35.93
U.S. deliveries (thou. short tons) ^{2 3} . .	11,207	10,849	10,714	856	765	936	875	907	900	970

¹ Spot price reported by N.Y. Coffee and Sugar Exchange. Reporting resumed in mid August 1979 after being suspended November 3, 1977. ² Raw value. ³ Excludes Hawaii. ⁴ Ten month average. ⁵ Preliminary.

Tobacco:

	Annual			1979	1980					
	1977	1978	1979	Sept	Apr	May	June	July	Aug	Sept
Prices at auctions:										
Flue-cured (cts./lb.) ¹	117.6	135.0	140.0	145.1	—	—	—	131.6	—	153.5
Burley (cts./lb.) ¹	120.0	131.0	145.2	—	—	—	—	—	—	—

Domestic consumption²

Cigarettes (bil.)	592.0	614.3	613.8	488.0	52.8	50.5	53.7	43.5	n.a.	n.a.
Large cigars (mil.)	4,961	4,701	4,297	3,238.0	288.9	349.1	364.2	244.2	n.a.	n.a.

¹ Crop year July-June for flue-cured, October-September for burley. ² Taxable removals. n.a. available.

Coffee

	Annual			1979	1980					
	1977	1978	1979	Sept	Apr	May	June	July	Aug p	Sept p
Composite green price, N.Y. (cts./lb.) . . .	256.38	162.32	174.27	204.58	186.00	195.29	188.22	174.50	167.24	164.78
Imports, green bean equivalent (mil.lb.) ¹ .	1,974	2,448	2,656	227	220	208	221	205	*171	*200

	Annual			1979			1980			
	1977	1978	1979	Apr-June	July-Sept	Oct-Dec p	Jan-Mar	Apr-June	July-Sept p	Oct-Dec p
Roastings (mil. lb.) ²	1,892	2,156	2,249	569	497	564	568	532	*465	*550

¹ Green and processed coffee. ² Instant soluble and roasted coffee. p Preliminary. *Forecast.

Supply and Utilization: Crops

Supply and utilization of major crops¹

	Domestic measure ²				Metric measure ³			
	1978/79	1979/80 Estimated	1980/81		1978/79	1979/80 Estimated	1980/81	
			Projected	Probable variability ⁴			Projected	Probable variability ⁴
Wheat:								
	Mil. acres				Mil. hectares			
Area								
Planted	66.3	71.6	80.9 ⁵	—	26.8	—	—	—
Harvested	56.9	62.6	71.6	—	22.9	—	—	—
	Bu. per acre				Metric tons per hectare			
Yield per harvested unit	31.6	34.2	33.0	—	2.2 ⁵	—	—	—
	Mil. bu.				Mil. metric tons			
Beginning stocks	1,177	925	903	—	32.0	25.2	24.6	—
Production	1,798	2,142	2,362	+35 to -35	48.9	58.3	64.3	—
Imports	1	2	2	—	—	—	—	—
Supply, total	2,976	3,069	3,267	+35 to -35	81.0	83.5	88.9	—
Domestic	857	791	835	+55 to -55	23.3	21.5	22.7	—
Exports	1,194	1,375	1,525	+100 to -100	32.5	37.4	41.5	—
Use, total	2,051	2,166	2,360	+125 to -125	55.8	58.9	64.2	—
Ending stocks	925	903	907	+125 to -125	25.2	24.6	24.7	—
	Dol. per bu.				Dol. per metric ton			
Price received by farmers	2.98	³ 3.82	³ 3.95-4.25	—	109	³ 140	³ 145-156	—
Price, Kansas City, No. 1 HRW	3.38	4.25	⁴ 4.26	—	124	156	⁴ 157	—
Rice								
	Mil. acres				Mil. hectares			
Area								
Allotment	1.80	1.80	1.80	—	73	—	—	—
Planted	2.99	3.00	3.36	—	1.23	—	—	—
Harvested	2.97	2.87	3.34	—	1.23	—	—	—
	Lb. per acre				Metric tons per hectare			
Yield per harvested unit	4,484	4,586	4,269	—	5.06	—	—	—
	Mil. cwt.				Mil. metric tons			
Beginning stocks	27.4	31.6	25.7	—	1.2	1.4	1.2	—
Production	133.2	131.6	142.8	+4 to -4	6.0	5.0	6.5	—
Imports . . . . .	.1	.1	—	—	—	—	—	—
Supply, total	160.7	163.3	168.5	+4 to -4	7.3	7.4	7.6	—
Domestic	48.0	46.9	50.0	+2 to -2	2.2	2.1	2.3	—
Exports	76.9	84.5	90.0	+5 to -5	3.5	3.8	4.1	—
Use, total	124.9	131.4	140.0	+6 to -6	5.7	5.9	6.4	—
Ending stocks	31.6	25.7	25.5	+5 to -5	1.4	1.2	1.2	—
Difference unaccounted	+4.2	+6.2	+3.0	—	—	—	—	—
	Dol. per cwt.				Dol. per metric ton			
Price received by farmers	8.16	³ 10.60	10.00-11.50	—	180	³ 234	220-254	—
Price, long-grain milled, S.W. La.	18.41	22.16	⁴ 21.38	—	406	489	⁴ 471	—
Feed grains⁵								
	Mil. acres				Mil. hectares			
Area								
Planted	122.8	117.6	120.8	—	—	—	—	—
Harvested	104.5	101.2	99.6	—	—	—	—	—
	Metric tons per acre				Metric tons per hectare			
Yield per harvested unit	2.08	2.31	1.93	—	—	—	—	—
	Mil. short tons				Mil. metric tons			
Beginning stocks	—	—	—	—	41.2	45.9	51.9	—
Production	—	—	—	—	217.4	233.9	192.4	+5 to -5
Imports	—	—	—	—	.3	.3	.2	—
Supply, total	—	—	—	—	258.9	280.0	244.5	+5 to -5
Feed	—	—	—	—	133.1	136.7	126.5	+9 to -9
Food, seed, and industrial uses	—	—	—	—	19.7	20.9	23.2	+1 to -1
Domestic, total	—	—	—	—	152.8	157.6	149.7	+9 to -9
Exports	—	—	—	—	60.2	70.5	72.9	+6 to -6
Use, total	—	—	—	—	213.0	228.1	222.6	+13 to -13
Ending stocks	—	—	—	—	45.9	51.9	21.9	+7 to -7

See footnotes at end of table.

Supply and utilization of major crops¹ —Continued

	Domestic measure ²				Metric measure ²			
			1980/81				1980/81	
	1978/79	1979/80 Estimated	Projected	Probable variability*	1978/79	1979/80 Estimated	Projected	Probable variability*
Corn:								
	Mil. acres				Mil. hectares			
Area								
Planted	80.1	80.0	83.5	—	31.8	—	—	—
Harvested	70.3	71.0	71.2	—	27.6	—	—	—
	Bu. per acre				Metric tons per hectare			
Yield per harvested unit	100.8	109.4	90.8 ^c	—	6.03	—	—	—
	Mil. bu.				Mil. metric tons			
Beginning stocks	1,104	1,286	1,597	—	28.0	32.7	40.6	—
Production	7,087	7,764	6,467	+220 to -220	180.0	197.2	164.3	—
Imports	1	1	1	—	(6)	(6)	—	—
Supply, total	8,192	9,051	8,065	220 to -220	208.1	229.9	204.9	—
Feed	4,198	4,429	4,200	+300 to -300	106.6	112.5	106.7	—
Food, seed, and industrial uses	575	625	715	+25 to -25	14.6	15.8	18.2	—
Domestic, total	4,773	5,054	4,915	+315 to -315	121.2	128.3	124.9	—
Exports	2,133	2,400	2,550	+200 to -200	54.2	61.0	64.8	—
Use, total	6,906	7,454	7,465	+450 to -450	175.4	189.3	189.7	—
Ending stocks	1,286	1,597	600	+200 to -100	32.7	40.6	15.2	—
	Dol. per bu.				Dol. per metric ton			
Price received by farmers	2.25	³ 2.50	3.30-3.75	—	89	³ 98	130-148	—
Price, Chi., No. 2 yellow	2.54	⁴ 2.81	—	—	100.0	⁴ 110.63	—	—
Soybeans:								
	Mil. acres				Mil. hectares			
Area								
Planted	64.4	71.6	70.3	—	26.1	29.0	28.4	—
Harvested	63.3	70.5	67.3	—	25.6	28.5	27.8	—
	Bu. per acre				Metric tons per hectare			
Yield per harvested unit	29.5	32.2	26.1	—	1.98	2.17	1.84	—
	Mil. bu.				Mil. metric tons			
Beginning stocks	161	174	359	—	4.4	4.8	9.8	—
Production	1,870	2,268	1,757	+85 to -85	50.9	61.7	47.8	+2.3 to -2.3
Supply, total	2,031	2,442	2,116	+85 to -85	55.3	66.5	57.6	+2.3 to -2.3
Crushings	1,018	1,123	1,040	+50 to -50	27.7	30.6	28.3	+1.4 to -1.4
Exports	739	875	825	+50 to -50	20.1	23.8	22.5	+1.4 to -1.4
Seed, feed, and residual	100	85	86	—	2.7	2.3	2.3	—
Use, total	1,857	2,083	1,951	+75 to -75	50.5	56.7	53.1	+2.0 to -2.0
Ending stocks	174	359	165	+75 to -75	4.8	9.8	4.5	+2.0 to -2.0
	Dol. per bu.				Dol. per metric ton			
Price received by farmers	6.66	³ 6.25	8.60	+1.25 to -1.25	245	³ 230	315	+46 to -46
Price, Chi., No. 1 yellow	7.08	⁴ 6.46	7.87	—	260.14	⁴ 237.36	289.17	—
Soybean oil:								
	Mil. lb.				Mil. metric tons			
Beginning stocks	729	776	1,240	—	.33	.35	.56	—
Production	11,323	12,114	11,232	+550 to -550	5.14	5.50	5.10	+249 to -249
Supply, total	12,052	12,890	12,472	+550 to -550	5.47	5.85	5.66	+249 to -249
Domestic	8,942	8,950	9,150	+500 to -500	4.06	4.06	4.15	+227 to -227
Exports	2,334	2,700	2,400	+150 to -150	1.06	1.22	1.09	+68 to -68
Use, total	11,276	11,650	11,550	+500 to -500	5.12	5.28	5.24	+227 to -227
Ending stocks	776	1,240	922	+200 to -200	.35	.56	.42	+91 to -91
	Cts. per lb.				Cts. per kilogram			
Price, crude, Decatur	27.4	24.5	28.0	+5.0 to -5.0	604	540	617	+110 to -110
Soybean meal:								
	Thou. short tons				Mil. metric tons			
Beginning stocks	243	267	320	—	.22	.24	.29	—
Production	24,354	27,118	24,804	+1,200 to -1,200	22.09	24.60	22.50	+1,089 to -1,089
Supply, total	24,597	27,385	25,124	+1,200 to -1,200	22.31	24.84	22.79	+1,089 to -1,089
Domestic	17,720	19,215	18,000	+1,000 to -1,000	16.07	17.43	16.33	+907 to -907
Exports	6,610	7,850	6,800	+400 to -400	6.00	7.12	6.17	+363 to -363
Use, total	24,330	27,065	24,800	+1,000 to -1,000	22.07	24.55	22.50	+907 to -907
Ending stocks	267	320	324	+50 to -50	.24	.29	.29	+45 to -45
	Dol. per short ton				Dol. per metric ton			
Price, bulk, Decatur, 44%	190.10	180.00	250.00	+35. to -35	210	198	276	+39 to -39

See footnotes at end of table.

Supply and utilization of major crops¹ —Continued

	Domestic measure ²				Metric measure ²			
	1980/81				1980/81			
	1978/79	1979/80 Estimated	Projected	Probable variability ⁶	1978/79	1979/80 Estimated	Projected	Probable variability ⁶
Cotton:⁷								
	Mil. acres				Mil. hectares			
Area								
Planted	13.4	13.9	14.4	—	5.41	5.64	5.81	—
Harvested	12.4	12.8	13.3	—	5.01	5.19	5.40	—
	Lb. per acre				Metric tons per hectare			
Yield per harvested unit	421	548	419	—	.47	.61	.47	—
	Mil. 480-lb. bales				Mil. metric tons			
Beginning stocks ⁸	5.3	4.0	3.0	—	1.16	.87	.65	—
Production	10.9	14.6	11.6	+0.6 to -0.6	2.36	3.18	2.52	+13 to -13
Supply, total ⁹	16.2	18.6	14.7	+0.6 to -0.6	3.53	4.05	3.20	+13 to -13
Mill use	6.4	6.5	5.9	+0.5 to -0.5	1.39	1.42	1.28	+11 to -11
Exports	6.2	9.2	6.0	+1.0 to -1.0	1.35	2.00	1.31	+22 to -22
Use, total	12.5	15.7	11.9	+1.0 to -1.0	2.72	3.42	2.59	+22 to -22
Difference unaccounted ¹⁰ . . . . .	.3	.1	.1	—	.07	.02	.02	—
Ending stocks	4.0	3.0	2.8	+1.0 to -0.5	.87	.65	.61	+22 to -11
	Cts. per lb.				Cts. per kilogram			
Price received by farmers	58.4	¹¹ 62.6	—	—	1.29	¹¹ 1.38	—	—
Price, SLM, 1-1/16 in., spot	61.6	71.5	⁴ 86.6	—	134.1	155.7	⁴ 188.55	—

¹ Marketing year beginning June 1 for wheat, barley, and oats, August 1 for cotton and rice, September 1 for soybeans, and October 1 for corn, sorghum, and soybean oil and meal. ² Conversion factors: Hectare (ha.)=2.471 acres; and 1 metric ton=2,204.622 pounds, 36.7437 bushels of wheat or soybeans, 39.3679 bushels of corn or sorghum, 49.9296 bushels of barley, 69.8944 bushels of oats, 22.046 cwt. of rice, and 4.59 480-pound bales of cotton. ³ Season average estimate. ⁴ Average for beginning of marketing year through September 1980. ⁵ Corn, sorghum, oats, and barley. ⁶ Less than 0.05. ⁷ Upland and extra long staple. ⁸ Based on Census Bureau data. ⁹ Includes imports. ¹⁰ Difference between ending stocks based on Census Bureau data and preceding season's supply less distribution. ¹¹ Season average farm price.

*Reflects the "root mean square error" and/or "standard error of estimate" from trend and judgement. Chances are about 2 out of 3 that the outcome will fall within the indicated ranges.

Transportation Data

Rail rates, grain and fruit and vegetable shipments

	Annual			1979	1980					
	1977	1978	1979	Sept	Apr	May	June	July	Aug	Sept
Rail freight rate index¹										
All products (1969=100)	199.1	213.0	243.4	245.9	279.7	279.7	282.3	291.1	291.5	298.6
Farm Products (1969=100)	191.3	204.9	235.0	239.2	267.8	263.9	266.4	274.3	275.9	281.1
Grain (Dec. 1978=100)	n.a.	n.a.	106.9	108.8	126.2	123.5	124.4	129.9	130.4	132.9
Food Products (1969=100)	195.3	210.0	239.5	241.1	276.0	276.2	278.9	290.7	290.5	300.0
Rail carloadings of grain (thou. cars) ²	23.9	26.6	27.5	28.6	26.5	23.6	28.3	32.6	32.9	32.1
Barge shipments of grain (mil. bu.) ³	29.3	31.3	31.2	33.9	36.2	33.0	42.7	47.7	45.0	41.9
Fresh fruit and vegetable shipments										
Rail (thou. cwt.) ^{2,4,5}	1,552	915	806	782	1,476	1,223	1,709	1,381	858	1,085
Truck (thou. cwt.) ^{3,4,5}	6,596	7,322	7,558	6,228	7,706	8,403	9,402	7,843	6,785	5,759

¹ Department of Labor, Bureau of Labor Statistics. ² Weekly average; from Association of American Railroads. ³ Weekly average; from Agricultural Marketing Service, USDA. ⁴ Preliminary data for 1980. ⁵ Typical truck loads are about 40,000 pounds and average railcar loads in 1975 were about 60,000 pounds.

General Economic Data

Gross national product and related data

	Annual			1978		1979				1980		
	1977	1978	1979	IV	I	II	III	IV	I	II	III p	
\$ Bil. (Quarterly data seasonally adjusted at annual rates)												
Gross national product ¹	1,899.5	2,127.6	2,368.8	2,235.2	2,292.1	2,329.8	2,396.5	2,456.9	2,520.8	2,521.3	2,583.0	
Personal consumption expenditures	1,210.0	1,350.8	1,509.8	1,415.4	1,454.2	1,475.9	1,528.6	1,580.4	1,629.5	1,626.6	1,681.8	
Durable goods	178.8	200.3	213.0	212.1	213.8	208.7	213.4	216.2	220.2	195.7	209.3	
Nondurable goods	481.3	530.6	596.9	558.1	571.1	581.2	604.7	630.7	652.0	654.1	666.4	
Clothing and shoes	82.4	91.2	99.2	96.8	95.5	96.9	101.0	103.6	103.9	104.1	108.2	
Food and beverages	246.7	271.7	301.9	283.9	292.9	296.7	303.1	315.6	322.6	325.8	335.6	
Services	549.8	619.8	699.8	645.1	669.3	686.0	710.6	733.5	757.3	776.9	806.1	
Gross private domestic investment	303.3	351.5	387.2	370.5	373.8	395.4	392.3	387.2	387.7	368.5	346.0	
Fixed investment	281.3	329.1	369.0	349.8	354.6	361.9	377.8	381.7	383.0	357.1	363.9	
Nonresidential	189.4	221.1	254.9	236.1	243.4	249.1	261.8	265.2	272.6	268.2	271.4	
Residential	91.9	108.0	114.1	113.7	111.2	112.9	116.0	116.4	110.4	88.9	92.5	
Change in business inventories	21.9	22.3	18.2	20.6	19.1	33.4	14.5	5.6	4.7	11.4	17.9	
Net exports of goods and services	-9.9	-10.3	-4.6	-4.5	4.0	-8.1	-2.3	-11.9	-13.6	-2.2	18.6	
Exports	175.9	207.2	257.5	224.9	238.5	243.7	267.3	280.4	308.1	307.0	312.1	
Imports	185.8	217.5	262.1	229.4	234.4	251.9	269.5	292.4	321.7	309.2	293.5	
Government purchases of goods and services	396.2	435.6	476.4	453.8	460.1	466.6	477.8	501.2	517.2	528.3	536.7	
Federal	144.4	152.6	166.6	159.0	163.6	161.7	162.9	178.4	186.2	193.3	194.6	
State and local	251.8	283.0	309.8	294.8	296.5	304.9	314.9	322.8	331.0	335.0	342.1	
1972 \$Bil. (Quarterly data seasonally adjusted at annual rates)												
Gross national product	1,340.5	1,399.2	1,431.6	1,426.6	1,430.6	1,422.3	1,433.3	1,440.3	1,444.7	1,408.6	1,412.1	
Personal consumption expenditures	861.7	900.8	924.5	920.3	921.8	915.0	925.9	935.4	935.5	910.8	922.4	
Durable goods	138.2	146.7	147.1	152.1	150.2	144.8	146.9	146.7	145.4	127.4	133.6	
Nondurable goods	332.7	343.3	349.1	351.9	348.1	344.1	349.2	355.1	354.1	347.8	348.0	
Clothing and shoes	67.4	72.7	76.5	76.4	75.0	75.0	77.6	78.5	77.5	76.7	78.6	
Food and beverages	166.5	167.1	168.8	168.6	167.2	166.6	169.3	172.3	173.5	172.3	171.9	
Services	390.8	410.8	428.3	416.3	423.5	426.1	429.9	433.6	437.0	435.6	440.8	
Gross private domestic investment	200.1	214.3	215.2	217.4	217.2	221.7	214.2	207.7	203.2	188.6	178.5	
Fixed investment	186.9	200.2	205.5	205.5	204.9	203.5	207.1	206.3	202.9	186.0	185.3	
Nonresidential	129.3	140.1	148.8	145.5	147.2	146.9	150.7	150.5	151.2	145.3	144.1	
Residential	57.7	60.1	56.7	60.0	57.7	56.7	56.5	55.8	51.7	40.7	41.2	
Change in business inventories	13.1	14.1	9.7	12.0	12.3	18.1	7.1	1.4	.3	2.6	-6.8	
Net exports of goods and services	10.3	11.0	17.6	12.9	17.0	13.2	20.1	20.1	25.0	28.3	31.6	
Exports	98.4	108.9	119.9	113.8	117.0	116.0	122.2	124.3	131.7	128.3	126.9	
Imports	88.2	97.9	102.3	101.0	100.0	102.9	102.1	104.1	106.7	99.9	95.3	
Government purchases of goods and services	268.5	273.2	274.3	276.0	274.7	272.4	273.1	277.1	280.0	280.9	279.6	
Federal	100.6	98.6	99.4	99.3	101.1	98.1	97.4	101.1	104.3	106.7	105.6	
State and local	167.9	174.6	174.9	176.6	173.6	174.3	175.6	176.0	175.7	174.3	173.9	
New plant and equipment expenditures (\$bil.)	135.80	153.82	177.09	163.96	165.94	173.48	179.33	186.95	191.36	193.89	191.24	
Implicit price deflator for GNP (1972=100)	141.70	152.05	165.46	156.68	160.22	163.81	167.20	170.58	174.48	178.99	182.92	
Disposable income (\$bil.)	1,305.1	1,458.4	1,624.3	1,524.8	1,572.2	1,601.7	1,640.0	1,683.1	1,737.4	1,755.0	1,807.5	
Disposable income (1972 \$bil.)	929.5	972.6	994.8	991.5	996.6	993.0	993.4	996.2	998.5	983.1	991.4	
Per capita disposable income (\$)	6,017	6,672	7,367	6,955	7,157	7,275	7,430	7,606	7,834	7,900	8,107	
Per capita disposable income (1972 \$)	4,285	4,449	4,512	4,522	4,536	4,510	4,501	4,502	4,502	4,423	4,447	
U.S. population, tot., incl. military abroad (mil.)	216.9	218.7	220.6	219.5	219.9	220.3	220.9	221.4	221.9	222.5	222.9	
Civilian population (mil.)	214.7	216.6	218.5	217.4	217.8	218.3	218.8	219.3	219.8	220.4	220.8	

See footnotes at end of next table.

Selected monthly indicators

	Annual			1979		1980				
	1977	1978	1979	Sept	Apr	May	June	July	Aug	Sept p
Monthly data seasonally adjusted except as noted										
Industrial production, total ¹ (1967=100)	138.2	146.1	152.5	152.7	148.3	144.0	141.5	140.1	141.0	142.4
Manufacturing (1967=100)	138.4	146.8	153.6	153.9	147.9	143.4	140.3	138.7	139.8	141.3
Durable (1967=100)	130.0	139.7	146.4	145.9	138.4	133.3	129.9	128.0	128.9	130.8
Nondurable (1967=100)	150.5	156.9	164.0	165.4	161.6	158.0	155.3	154.2	155.0	156.3
Leading economic indicators ¹ ⁴ (1967=100)	136.4	141.9	140.3	140.1	125.7	122.7	123.9	128.3	130.5	133.6
Employment ² (Mil. persons)	90.5	94.4	96.9	97.5	97.2	97.0	96.5	97.0	97.0	97.2
Unemployment rate ² (%)	7.0	6.0	5.8	5.8	7.0	7.8	7.7	7.8	7.6	7.5
Personal income ¹ (\$bil. annual rate)	1,531.6	1,717.4	1,924.2	1,960.1	2,072.0	2,079.0	2,090.4	2,124.2	2,139.7	2,159.5
Hourly earnings in manufacturing ² ⁴ (\$)	6.67	6.17	6.69	6.80	7.09	7.13	7.20	7.29	7.30	7.41
Money stock (daily average) ³ (\$bil.)	7328.4	7351.6	7369.7	365.9	367.6	367.8	371.3	373.7	379.7	383.6
Time and savings deposits (daily average) ³ (\$bil.)	7522.5	7582.4	7624.8	611.9	647.6	649.5	649.3	649.6	652.3	658.9p
Three-month Treasury bill rate ² (%)	5.265	7.221	10.041	10.182	14.003	9.150	6.995	8.126	9.259	10.321
Asa corporate bond yield (Moody's) ⁵ ⁴ (%)	8.02	8.73	9.63	9.44	12.04	10.99	10.58	11.07	11.64	12.02
Interest rate on new home mortgages ⁶ ⁴ (%)	9.01	9.54	10.8	11.02	13.03	13.69	12.66	12.48	12.25	12.36
Housing starts, private (including farm) (thou.)	1,987.1	2,020.3	1,745.1	1,874	1,030	906	1,223	1,265	1,416	1,544
Auto sales at retail, total ¹ (mil.)	11.2	11.3	10.7	10.8	8.3	7.4	7.4	8.9	8.9	8.3
Business sales, total ¹ (\$bil.)	224.8	254.3	288.4	296.7	295.3	292.5	294.2	303.9	308.1	—
Business inventories, total ¹ (\$bil.)	337.4	380.6	427.0	418.5	445.5	445.8	447.0	449.5	451.5p	—
Sales of all retail stores (\$bil.) ¹⁰	60.3	66.6	73.7	76.7	75.0	74.6	76.0	78.3	78.7p	80.0
Durable goods stores (\$bil.)	20.7	23.2	25.6	27.0	22.8	22.5	23.7	25.1	24.9p	25.4
Nondurable goods stores (\$bil.)	39.1	43.4	48.1	49.6	52.2	52.0	52.8	53.2	53.9p	54.6
Food stores (\$bil.)	13.2	14.5	16.0	16.4	17.4	17.0	17.4	17.7	17.9p	18.3
Eating and drinking places (\$bil.)	5.3	5.8	6.3	6.3	6.7	6.5	6.6	6.6	6.6p	6.8
Apparel and accessory stores (\$bil.)	2.9	3.1	3.6	3.7	3.7	3.7	3.8	3.8	3.9p	4.0

¹ Department of Commerce. ² Board of Governors of the Federal Reserve System. ³ Data changed to reflect new Federal Reserve definitions. ⁴ Composite index of 12 leading indicators. ⁵ Department of Labor, Bureau of Labor Statistics. ⁶ Not seasonally adjusted. ⁷ December of the year listed. ⁸ Moody's Investors Service. ⁹ Federal Home Loan Board. ¹⁰ Adjusted for seasonal variations, holidays, and trading day differences. p Preliminary.

U.S. Agricultural Trade

U. S. agricultural exports

	October-August				August			
	1978/79	1979/80	1978/79	1979/80	1979	1980	1979	1980
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Animals, live, excluding poultry	—	—	148,183	135,616	—	—	33,645	11,890
Meat and preps., excluding poultry (mt)	359	379	767,859	801,708	32	33	69,157	68,337
Dairy products, excluding eggs	—	—	105,735	137,475	—	—	9,223	14,204
Poultry and poultry products	—	—	335,526	498,175	—	—	28,853	41,203
Grains and preparations	—	—	11,235,085	15,512,997	—	—	1,397,781	1,608,978
Wheat and wheat flour (mt)	28,583	33,136	4,152,487	6,877,916	3,332	3,950	548,761	694,215
Rice, milled (mt)	2,247	2,685	824,636	1,055,275	151	192	59,556	82,201
Feed grains, excluding products (mt)	54,141	65,367	5,992,504	8,275,384	6,211	5,820	761,966	800,082
Other	—	—	265,458	304,422	—	—	27,498	32,480
Fruits, nuts, and preparations	—	—	1,336,481	1,906,760	—	—	110,150	148,896
Vegetables and preparations	—	—	706,677	874,519	—	—	57,076	56,224
Sugar & preps., including honey	—	—	100,990	257,586	—	—	17,146	58,857
Coffee, tea, cocoa, spices, etc. (mt)	54	44	209,312	157,732	4	3	13,417	14,863
Feeds and fodders	—	—	2,036,164	2,570,524	—	—	168,966	178,604
Protein meal (mt)	5,926	7,057	1,328,350	1,584,542	397	372	95,611	87,111
Beverages excl. distilled alcohol (Lit)	67,659	83,417	26,008	36,507	8,465	18,025	3,119	8,546
Tobacco, unmanufactured (mt)	273	268	1,228,897	1,272,846	14	13	63,964	67,267
Hides, skins, and furskins	—	—	1,216,773	1,060,824	—	—	96,584	57,941
Oilseeds	—	—	5,664,435	6,435,441	—	—	318,772	523,433
Soybeans (mt)	19,082	22,706	5,130,695	5,850,526	1,080	1,569	313,726	433,700
Wool, unmanufactured (mt)	3	3	31,836	27,018	(¹)	(¹)	807	1,122
Cotton, unmanufactured (mt)	1,293	1,953	1,771,846	2,881,799	111	96	149,344	156,804
Fats, oils, and greases (mt)	1,191	1,432	635,534	725,163	93	133	51,907	60,253
Vegetable oils and waxes (mt)	1,443	1,708	1,000,094	1,144,132	117	146	89,508	100,449
Rubber and allied gums (mt)	15	16	17,157	22,323	1	2	1,389	3,250
Other	—	—	666,142	785,229	—	—	54,637	62,530
Total	—	—	29,240,734	37,244,374	—	—	2,735,445	3,243,650

¹ Less than 500.

U.S. agricultural exports by regions

	October-August		August		Change from year earlier	
	1978/79	1979/80	1979	1980	October-August	August
	\$ Mil.				PCT	
Western Europe	8,675	11,256	662	847	+30	+28
European Community	6,809	8,586	522	690	+26	+32
Other Western Europe	1,866	2,670	139	157	+43	+13
Eastern Europe and USSR	3,142	3,546	465	137	+13	-71
Eastern Europe	1,320	2,134	159	137	+62	-14
USSR	1,822	1,412	306	—	-23	—
Asia	10,715	12,904	909	1,182	+20	+30
West Asia	1,330	1,217	122	72	-8	-41
South Asia	584	730	67	60	+25	-10
China, Mainland	831	1,738	47	250	+109	+432
Japan	4,673	5,261	381	507	+13	+33
Korea	1,313	1,474	134	96	+12	-28
Taiwan	920	1,017	65	59	+11	-9
Other East and Southeast Asia	1,064	1,467	93	138	+38	+48
Latin America and Caribbean	3,002	4,915	341	537	+64	+57
Brazil	380	628	54	40	+65	-26
Mexico	860	1,775	104	231	+106	+122
Caribbean	501	644	48	46	+28	-4
Central America	228	352	23	33	+54	+43
Venezuela	399	561	22	86	+41	+291
Canada, excluding transshipments	1,618	1,585	143	151	+4	+6
Canadian transshipments	654	891	67	175	+36	+161
Africa	1,387	1,972	138	197	+42	+43
North Africa	752	1,067	70	79	+42	+13
Other Africa	635	905	68	118	+43	+74
Oceania	147	175	10	17	+19	+70
Total ¹	29,241	37,244	2,735	3,244	+27	+19

¹ Not adjusted for transshipments. ² Totals may not add due to rounding.

— = None or negligible.

Prices of principal U.S. agricultural trade products

	Annual			1980						
	1977	1978	1979	Sept	Apr	May	June	July	Aug	Sept
Export commodities:										
Wheat, f.o.b. vessel, Gulf ports (\$/bu.)	2.85	3.56	4.45	4.71	4.30	4.45	4.32	4.63	4.76	4.95
Corn, f.o.b. vessel, Gulf ports (\$/bu.)	2.49	2.66	3.01	3.10	2.81	2.86	2.91	3.37	3.67	3.67
Grain sorghum, f.o.b. vessel, Gulf ports (\$/bu.)	2.30	2.48	2.85	2.92	2.95	3.00	3.01	3.44	3.74	3.71
Soybeans, f.o.b. vessel, Gulf ports (\$/bu.)	7.38	7.04	7.59	7.74	6.17	6.36	6.35	7.20	8.00	8.52
Soybean oil, Decatur (cts./lb.)	23.69	25.79	27.59	29.21	20.17	20.74	21.65	26.1	25.9	26.11
Soybean meal, Decatur (\$/ton)	192.17	170.71	191.08	188.98	154.2	165.78	161.52	187.90	207.40	235.00
Cotton, 10 market avg. spot (cts./lb.)	60.48	58.31	61.81	82.08	79.05	78.27	72.41	79.0	85.6	87.5
Tobacco, avg. price of auction (cts./lb.)	114.24	121.88	132.15	132.80	138.69	139.15	139.15	138.64	138.64	148.46
Rice, f.o.b. mill, Houston (\$/cwt.)	16.96	20.61	20.25	21.10	24.00	23.00	21.00	21.00	21.00	21.00
Inedible tallow, Chicago (cts./lb.)	17.13	19.74	23.45	23.88	19.15	17.90	16.62	18.80	19.00	—
Import commodities:										
Coffee, N.Y. spot (cts./lb.)	2.41	1.66	1.74	1.96	1.80	1.85	1.82	1.69	1.50	1.45
Sugar, N.Y. spot (cts./lb.)	10.99	13.92	15.61	15.82	22.67	31.89	32.09	28.75	33.13	35.93
Cow meat, f.o.b. port of entry (cts./lb.)	68.42	97.17	130.98	116.78	114.51	110.50	113.89	124.96	132.61	129.15
Rubber, N.Y. spot (cts./lb.)	41.59	50.19	64.57	64.90	71.47	68.78	67.94	67.71	69.20	75.50
Cocoa beans, N.Y. (\$/lb.)	1.72	1.53	1.44	1.36	1.27	1.14	1.09	1.06	.99	1.04
Bananas, f.o.b. port of entry (\$/40-lb. box)	5.01	5.20	5.91	6.41	7.18	8.06	6.21	6.38	6.21	6.40
Canned Danish hams, ex-warehouse N.Y. (\$/lb.)	1.85	2.02	2.01	2.00	1.85	1.83	1.79	1.83	1.83	1.93

n.a. = not available.

U.S. agricultural imports

	October-August				August			
	1978/79	1979/80	1978/79	1979/80	1979	1980	1979	1980
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Live animals, excluding poultry	—	—	332,900	434,311	—	—	14,265	35,131
Meat and preparations, excl. poultry (mt) . . .	942	851	2,318,939	2,125,731	64	77	165,336	180,250
Beef and veal (mt)	757	651	1,773,810	1,641,005	49	57	125,469	134,264
Pork (mt)	152	173	468,260	418,659	12	18	33,500	40,688
Dairy products, excluding eggs	—	—	355,120	420,633	—	—	36,166	38,302
Poultry and poultry products	—	—	43,393	65,072	—	—	2,918	6,696
Grains and preparations	—	—	207,235	265,259	—	—	21,274	24,538
Wheat and flour (mt)	2	2	487	565	1	1	160	167
Rice (mt)	2	2	1,393	1,441	(¹)	(¹)	111	111
Feed grains (mt)	187	172	22,168	27,226	8	9	960	1,694
Other	—	—	183,187	236,027	—	—	20,043	22,566
Fruits, nuts and preparations	—	—	1,196,299	1,127,011	—	—	106,633	94,558
Bananas, fresh (mt)	2,144	2,101	348,661	367,354	207	154	34,753	28,475
Vegetables and preparations	—	—	741,544	809,897	—	—	46,028	48,015
Sugar and preparations, incl. honey	—	—	1,003,254	1,654,138	—	—	89,827	202,828
Sugar, cane or beet (mt)	3,860	3,635	781,692	1,447,095	314	317	67,237	187,468
Coffee, tea, cocoa, spices, etc. (mt)	1,618	1,536	5,052,894	5,443,503	134	119	464,947	395,795
Coffee, green (mt)	1,095	1,041	3,286,393	3,948,563	84	83	301,012	302,215
Cocoa beans (mt)	185	132	628,873	378,615	16	10	50,300	23,337
Feeds and fodders	—	—	72,261	81,730	—	—	6,993	7,471
Protein meal (mt)	17	31	2,968	7,378	2	1	270	443
Beverages, excl. distilled alcohol (hl)	7,629	8,326	834,168	934,805	807	880	82,612	96,293
Tobacco, unmanufactured (mt)	150	157	364,321	370,945	15	11	37,254	25,173
Hides, skins, and furskins	—	—	295,590	207,957	—	—	24,432	13,957
Oilseeds	—	—	54,337	48,805	—	—	6,011	3,736
Soybeans (mt)	(¹)	(¹)	47	221	0	(¹)	0	16
Wool, unmanufactured (mt)	26	29	79,485	100,239	2	3	6,714	9,998
Cotton, unmanufactured (mt)	15	20	6,524	7,994	1	3	816	768
Fats, oils, and greases (mt)	9	5	6,137	3,835	1	(¹)	705	237
Vegetable oils and waxes (mt)	689	605	551,832	526,932	68	46	64,305	33,231
Rubber and allied gums (mt)	738	571	809,188	758,807	60	33	74,029	44,815
Other	—	—	597,755	670,290	—	—	59,512	61,967
Total	—	—	14,923,176	16,057,894	—	—	1,310,777	1,323,759

¹ Less than 500. Note: 1 metric ton (mt) = 2,204,622 lb; 1 hectoliter (hl) = 100 liters = 26.42008 gal.

Trade balance

	October-August		August	
	1978/79	1979/80	1979	1980
	\$Mil.			
Agricultural exports ¹	29,241	37,244	2,735	3,244
Nonagricultural exports ²	123,568	155,301	11,979	14,379
Total exports ³	152,809	192,545	14,714	17,623
Agricultural imports ³	14,923	16,058	1,311	1,324
Nonagricultural imports ⁴	161,610	203,029	16,655	17,538
Total imports	176,533	219,087	17,966	18,862
Agricultural trade balance	14,318	21,186	1,424	1,920
Nonagricultural trade balance	-38,042	-47,728	-4,676	-3,159
Total trade balance	-23,724	-26,542	-3,252	-1,239

¹ Domestic exports including Department of Defense shipments (F.A.S. value). ² Domestic and foreign exports including Department of Defense shipments (F.A.S. value). ³ Imports for consumption (Customs value). ⁴ General imports (Customs value).

World Agricultural Production

World supply and utilization of major crops

	1974/75	1975/76	1976/77	1977/78	1978/79	1979/80	1980/81 ¹
	Mil. units						
Wheat:							
Area (hectare)	219.9	224.9	232.5	225.8	226.5	226.3	234.6
Production (metric ton)	357.2	350.4	415.8	382.8	447.7	419.7	440.1
Exports (metric ton) ²	63.9	66.7	63.1	73.1	71.2	85.3	89.7
Consumption (metric ton) ³ . . .	362.4	352.3	378.8	398.8	430.2	442.4	446.9
Ending stocks (metric ton) ⁴ . .	63.7	63.0	100.0	84.0	101.5	78.8	72.0
Coarse grains:							
Area (hectare)	342.4	349.3	350.9	348.1	346.6	344.3	343.8
Production (metric ton)	627.9	644.7	702.9	703.8	747.9	727.2	715.6
Exports (metric ton) ²	63.4	76.4	82.5	83.6	89.6	100.2	101.3
Consumption (metric ton) ³ . . .	632.6	643.6	685.8	694.2	742.1	727.1	746.2
Ending stocks (metric ton) ⁴ . .	55.8	56.9	74.0	83.6	89.4	89.4	58.8
Rice, milled:							
Area (hectare)	132.6	142.5	141.6	143.8	143.4	141.8	145.2
Production (metric ton)	220.0	242.8	236.2	250.0	259.5	252.6	262.4
Exports (metric ton) ⁶	7.3	9.1	10.4	9.7	12.0	12.9	12.6
Consumption (metric ton) ³ . . .	221.8	235.3	237.2	244.7	254.7	255.8	262.3
Ending stocks (metric ton) ⁴ . .	11.1	18.6	17.6	22.9	27.5	24.4	24.4
Total grains:							
Area (hectare)	694.9	716.7	725.0	717.7	716.5	712.4	723.6
Production (metric ton)	1,205.1	1,237.9	1,354.9	1,336.6	1,455.1	1,399.5	1,418.1
Exports (metric ton) ²	134.6	152.2	156.0	166.3	172.8	198.4	203.6
Consumption (metric ton) ³ . . .	1,216.8	1,231.2	1,301.8	1,337.7	1,427.0	1,425.3	1,455.4
Ending stocks (metric ton) ⁴ . .	130.6	138.5	191.6	190.5	218.4	192.6	155.2
Oilseeds and meals:⁵							
Production (metric ton)	65.3	73.5	66.9	78.6	83.4	96.5	86.4
Trade (metric ton)	27.6	32.5	33.6	38.8	40.6	44.5	45.0
Fats and oils:⁶							
Production (metric ton)	46.2	49.4	47.6	52.4	54.5	58.6	56.9
Trade (metric ton)	13.8	15.8	16.9	18.4	19.2	20.5	21.0
Cotton:							
Area (hectare)	33.4	29.8	30.8	32.7	32.1	32.2	33.0
Production (bale)	64.3	54.0	57.4	64.1	60.1	65.6	63.5
Exports (bale)	17.4	19.1	17.6	19.2	19.8	22.7	20.4
Consumption (bale)	58.7	61.2	60.9	61.0	63.0	65.5	64.6
Ending stocks (bale)	30.9	24.0	20.7	24.3	21.7	21.3	20.4

¹ Forecast. ² Excludes Intra-EC trade. ³ Where stocks data not available (excluding USSR), consumption includes stock changes. ⁴ Stocks data are based on differing marketing years and do not represent levels at a given date. Data not available for all countries; includes estimated change in USSR grain stocks but not absolute level.

⁵ Soybean meal equivalent. ⁶ Calendar year data. 1975 data corresponds with 1974/75. 1976 data with 1975/76, etc.

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